

POWERHOUSE ESPS GROUP NEWSLETTER

March 2019

Dear Fellow Member

Welcome to our latest Newsletter.

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➤ **2019 PENSIONS INCREASE**

The ESPS pension increase which will be applied from 1 April 2019 will be 3.3% (based on the rise in the Retail Prices Index over the 12 months period to September 2018).

Where part of your pension is derived from contracting out of the State Earnings Related Pension Scheme then different increases are applied after State Pension Age.

➤ **2019 ACTUARIAL VALUATION**

Preparation for the actuarial valuation as at 31 March 2019 is underway. We undertake this review every three years to check the financial position of the Group. The Group Trustees will be discussing and agreeing the results with the Group Actuary and the Company later this year.

➤ **GROUP FUNDING**

Based on the information from the Group Actuary the Group's funding position continues to remain positive at over 100% as at March 2019.

➤ **GMP EQUALISATION**

On 26 October 2018 a High Court ruling was released on Guaranteed Minimum Pension (GMP) equalisation for the Lloyds Banking Group's pension schemes.

The High Court Ruling will affect all formerly contracted-out defined benefit schemes (such as ESPS) and they must now address the effect of any inequalities caused by GMPs and ensure benefits are equalised to reflect their impact. The GMP is a benefit the Scheme provides instead of part of the State pension scheme benefit.

The Group Trustees and the Company has started to receive advice on how to deal with this and we will let you have more information on this in due course.

The GMP equalisation process will typically be a complex undertaking for most schemes and may take a significant amount of time to complete.

➤ GMP DATA

As mentioned in previous Newsletters, Capita has been liaising with HMRC to check that the GMP data held on our records is up to date and corresponds to those held by the National Insurance Contribution Office (NICO).

Good progress has been made and only a handful of cases remain to be confirmed.

➤ YOUR DATA

Following the review of data last year progress has been made to ensure we hold up to date information on all members. The main area where there remains gaps in data is in relation to members' addresses. Capita is undertaking an exercise to ensure these are updated.

May we remind you to tell Capita of any change to your address as this ensures that we are able to contact you promptly regarding your benefits.

You can advise Capita of changes via Hartlink Online. This is the online portal provided so you can access details of your benefits.

This can be accessed at:

www.hartlinkonline.co.uk/powerhouse

➤ UPDATE ON INVESTMENTS

As at 31 December 2018 the value of the Group's investments, which are held in Legal & General Pooled funds, was:

	<u>£m</u>	<u>%</u>
World Equity	10.9	4.8
Corporate Bonds	16.3	7.2
Index-Linked Gilts	180.9	80.4
Cash	17.0	7.6
	<u>225.0</u>	<u>100%</u>

Over the one-year and three-year periods the Group's assets to December 2018 have returned 0.5% and 9.5% p.a. respectively. These returns were in line with agreed benchmarks.

Note:

Above figures may not add up due to rounding.

➤ CURRENT MEMBERSHIP OF THE GROUP at 31 DECEMBER 2018

Pensioners: 1,671
Deferred: 227
Dependants: 161
2,059

➤ UPDATE ON CAPITA PERFORMANCE

Since the last update in our October 2018 Newsletter both the Company and the Trustees have continued to monitor Capita's performances for administration.

I am pleased to report there has been improvement and service levels have been restored.

➤ 2019 SCHEME Annual General Meeting (AGM)

The 2019 Scheme AGM will be held on Monday 25 November 2019 at 1pm at the offices of Eversheds Sutherland, 1 Wood Street, London, EC2V 7WS.

➤ ANNUAL MEETING OF MEMBERS

Due to insufficient interest from members the Group Trustees did not hold a local Meeting of Members during 2018.

As in previous years the Group Trustees are willing to arrange, with your support, an Annual Meeting of Members in November/December 2019 at a venue to be arranged in the High Wycombe, Buckinghamshire area.

As you know the Trustees will only arrange a meeting if at least 25 members

express an interest in attending, **so please do let the Group Administrator know by Monday 14 October 2019 if you would like us to arrange one.**

➤ YOUR GROUP TRUSTEES

Your Group Trustees currently consist of two Elected Group Trustees who are in receipt of a pension from the Group:

*Howard Whisker
Craig Breeze*

In addition, there are two Appointed Group Trustees:

*Nigel Burnett (Chair)
(In receipt of a pension)*

*Marc Boone
HeidelbergCement –Treasury Manager)*

Nigel Burnett also serves as an Appointed Director on the Board of EPTL and Howard Whisker as an Elected Director.

The Group Trustees have scheduled quarterly meetings at which they deal with the day to day administration of the Group, assisted by Susan Smith (Pi Consulting) who provides secretariat services. They also determine the Group's investment strategy and monitor performance of the Group's assets. The Group Trustees receive regular fund management presentations and reports and are assisted by their investment adviser, Lane Clark & Peacock.

You can contact the Group Trustees direct, or through Susan Smith (Pi Consulting) on 020 8879 6525.

Please note that the Group Trustees do not personally hold or have access to member data.

➤ ACCESSING YOUR PENSION RECORD ON-LINE

Hartlink Online, which is Capita's online portal, allows real-time access to your pension record. This will enable you to:

- *view Payslip and P60 information (Pensioners only).*
- *amend personal details*
- *complete or update a Beneficiary Nomination form.*
- *access a range of Group/Scheme documents.*
- *access links to relevant websites helping you to better understand your benefit entitlement.*
- *check that the information we hold for you is accurate and up to date.*

Hartlink Online website is available at:

www.hartlinkonline.co.uk/powerhouse

To access the website, enter this web address into the address bar of your web browser.

If you have any problems with the registration process, please use the 'Contact us' button on the site. Alternatively, you can contact our Group Administrator at hanson@capita.co.uk or via Hanson Schemes admin team on 0345 600 0591 or by post to:

Lee Siddall, Group Administrator
Powerhouse Retail ESPS Group
Capita
Hartshead House
2 Cutlers Gate
Sheffield, S4 7TL

➤ COMPANY PENSIONS WEBSITE

For your information Hanson UK has set up a website for all its various pension schemes which provides Scheme/Group and general pension information. This can be accessed at the following link:

<http://www.hansonpensions.co.uk/en/po-warehouse>

➤ **LUMP SUM DEATH BENEFITS**

In recent Newsletters we have reminded members that the Scheme provides for the payment of a lump sum death benefit in the event of a member's death. This will apply:

- a. if you are a Deferred Member and your pension is not yet in payment, or
- b. if you are a Pensioner Member within the first five years of retirement.

We ask you to complete a Beneficiary Nomination form setting out details of who you would like to receive any benefits. Whilst the Trustees are not required to follow your wishes, having a form in place helps the Trustees pay any benefits due in a timely way. Please therefore ensure you have submitted an up to date form.

➤ **FEEDBACK**

If you have any queries or comments on any items covered in our Newsletter or ideas for items in future Newsletters, please let me know by emailing me as below.

nigel.p.burnett@gmail.com

Kind Regards and Best Wishes,
Nigel

Nigel Burnett
Chair of Group Trustees