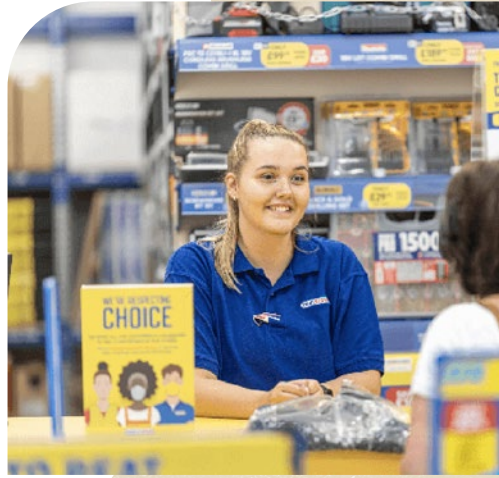


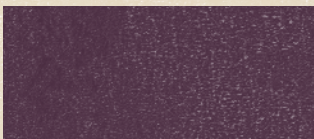
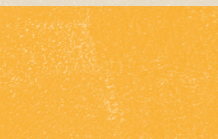


# PENSIONS NEWSLETTER 2024

BSS Group Pension Scheme



## Your Pension @ BSS



**BUILDING YOUR FUTURE**



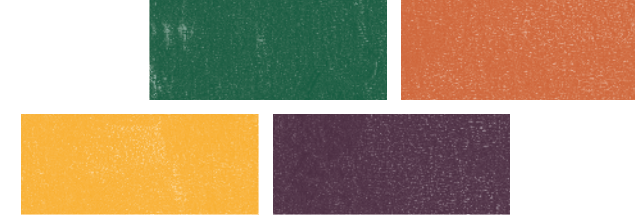
## In this issue

Introduction	3
Investments	4
Summary funding statement	6
You and your pension	8
Pensions news	12
Contact information	15

### Please complete the enclosed form

In order to better understand the level of funding needed to support the Scheme going forward, we are keen to understand the dependents of members of the Scheme.

**We would therefore be grateful if you could complete the enclosed form and return it to Hymans Robertson, the Scheme administrator.**



## Introduction from the Chair

Dear Member,

Welcome to the 2024 Pensions Newsletter. Our focus over the last year has been to work with our advisers to ensure that the information we hold on our systems about the different categories of members we have and the data we hold in order to calculate benefits for all the different categories is as complete and accurate as possible. This continues to be a significant project and will not be completed for a number of months. We have also completed another formal triennial valuation of the Scheme (details on page 7). We worked together with Travis Perkins to review the funding and investment strategy (see pages 4 & 5) and I am pleased to confirm the Scheme remains fully funded on an ongoing basis which means that no additional contributions are required from Travis Perkins.

We have also included commentary on current issues affecting pensions and pension schemes. In particular, there are useful notes about the change in the minimum age at which benefits can be taken from the Scheme (page 9) and the change in the Lifetime Allowance, which came into force in April this year, (details on page 13). Please do check these out.

You can contact us directly if you have any questions about the Scheme but for day-to-day questions about your benefits please get in touch with Hymans Robertson, your key contact for all pension related queries. We would also encourage you to make use of the member portal where you will find lots of useful information (see page 15 for details).

**As ever, I do hope that you find our newsletter helpful and we welcome hearing from you if have any comments on how we could improve our communications or ideas for future editions.**



Yours faithfully,  
Kate Hardingham



# INVESTMENTS

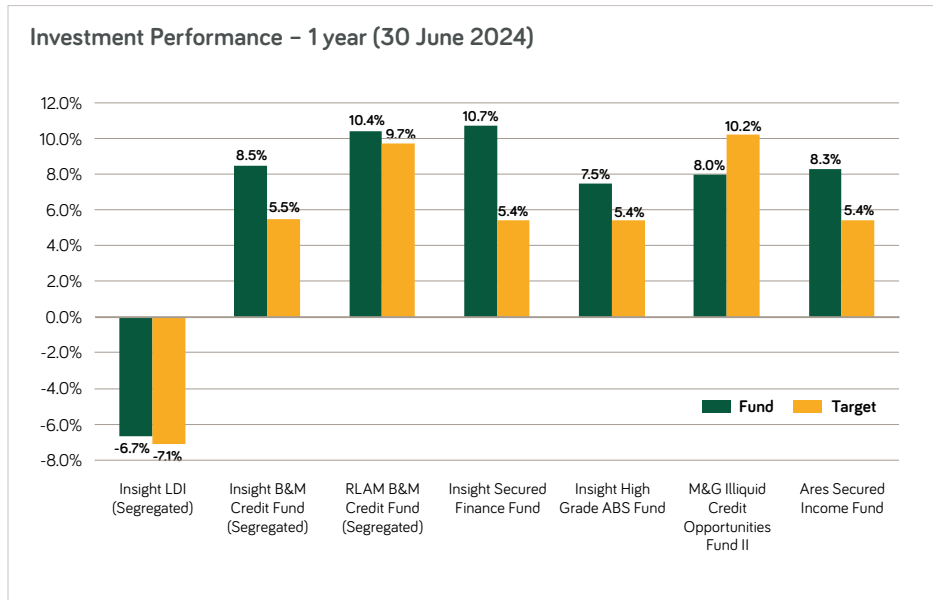
## An update on the Scheme's investments

Following more turbulent market conditions in 2022, investment markets were calmer over 2023 as developed economies began to find more success grappling with higher levels of inflation.

The Scheme's low-risk investment strategy performed well over this period, maintaining the strong funding position against expected liabilities.

Gilt yields remained elevated since the sharp increase experienced in 2022, however it has still been subject to some periods of short-term volatility. Despite this, the Scheme had a high level of liability hedging in place throughout the year, so the funding position weathered the volatility. During the year, there was strong performance from the Scheme's credit-based assets, as market movements over the year indicated companies were in strong financial health, and that investors were confident in the ability of companies to repay their debts.

The below chart shows how the assets in the Scheme performed year to date (30 June 2024). Overall, the investment strategy aims to protect and maintain the Scheme's strong funding position. The LDI portfolio delivered a negative return over the period, however these movements are expected to be broadly reflected in the present value of the liabilities leading to no overall impact on the funding position.



**Notes:** Ares Secured Income Fund does not have an explicit benchmark. As such, the performance has been measured against SONIA +4% p.a. in line with the Insight Secured Finance Fund. Insight have provided the levered performance for the LDI (Segregated Fund).  
**Source:** Investment managers (Insight Investment, Royal London Asset Management, M&G and Ares Management), 30 June 2024.



## ESG

The Trustee continues to focus on integrating environmental, social and governance (ESG) risk management into the Scheme's investment strategy.

The Taskforce on Climate-related Financial Disclosures (TCFD) is an international organisation which has created a set of global standards adopted by UK pension schemes on how they can best consider their impact on the climate. The Scheme issued its first TCFD report during the year, which considers the impact of climate related risks on the Scheme's investments. This will develop as the Trustee continues discussions around how to further integrate ESG considerations and refine the portfolio over time.



# SUMMARY FUNDING STATEMENT 2023

This statement lets you know about your Scheme's financial position and updates you on developments over the past year. A full valuation of the Scheme's financial position is done every three years, with annual updates in intervening years. The most recent actuarial valuation was carried out at 30 September 2023.

**This statement describes the Scheme's financial position at the most recent actuarial valuation, together with the position as at 30 September 2022, as included in the previous summary funding statement, which was sent to you in 2023.**

As the Trustee, we are responsible for monitoring the Scheme's financial health and reporting its financial position to members. Legislation requires trustees and employers to work together to maintain the financial health of their Scheme, and we must issue the summary funding statement to members.

We hope this summary funding statement helps you understand the financial arrangements that support your retirement benefits.

## Understanding your Summary Funding Statement

### WHAT DOES THIS WORD MEAN?

Pensions have a language of their own – words which have a specific meaning, and which are used as 'shorthand' when talking about pensions. Here is an explanation of some of the words we use in this statement.

**Assets** – This is all the money building up in the Scheme as investments, bank balances and any money owed to the Scheme.

**Liabilities** – This is everything the Scheme owes now, and the expected value of benefits it will have to pay to members and their dependants in the future.

**Surplus** – If the Scheme has more assets than liabilities, it has a surplus.

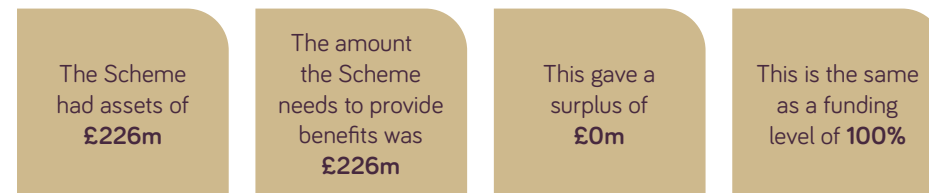
**Funding level** – This is the assets divided by the liabilities. If the value of the assets was equal to the liabilities, the funding level would be 100%.

**Scheme Actuary** – A professional appointed by the Trustee to assess the financial sustainability of the Scheme and provide actuarial advice.

**Shortfall** – If the Scheme has more liabilities than assets, it has a shortfall.

## The Scheme's financial position

At the date of the most recent formal actuarial valuation of the Scheme (30 September 2023), the Scheme Actuary found:



## How has this changed?

The funding position at the previous update (30 September 2022), is also shown below:



The funding level has remained stable since the last annual update. The value of the Scheme's member benefits has decreased primarily due to an increase in yields on government bonds. This was partially offset by changes to the assumptions used to value the Scheme's member benefits as part of the 2023 valuation. The Scheme's assets have moved broadly in line with the liabilities due to the nature of the Scheme's investment strategy.

## Payments to the Company

There have been no payments to the Company out of Scheme funds in the period since last year's summary funding statement.



## YOU AND YOUR PENSION

### Guaranteed Minimum Pension Equalisation (GMPs)

In our last newsletter, we noted that the UK High Court determined in 2018 that pension schemes must equalise benefits to allow for Guaranteed Minimum Pensions (GMPs) being different for men and women.

The impact of this is that some members may receive a small top-up to their pension whilst others will see no change (nobody will have their pension reduced). The members who may be affected are those who were active within the Scheme between 17 May 1990 and 5 April 1997.

Work to calculate these top-ups due to members continues to be ongoing and communications are taking place as the project progresses.

### Your normal retirement date

We would like to take this opportunity to remind you that the earliest date at which you can start drawing your normal pension is your 'normal retirement date'. This will be stated on any formal documents relating to your service in the Scheme. You may also take early retirement from age 55 (increasing to age 57 from 6 April 2028) subject to an appropriate reduction.

If you are over the age of 65 and are not yet receiving your benefits, please contact the Scheme administrators to discuss further details of your entitlement.

If you are unsure when you can retire or when your normal retirement date in the Scheme is, please contact the administrators who will be able to provide you with more details.

To contact the administrators, please use the details on page 15.

### Keeping your information up-to-date

It's important that the administrators hold your most up-to-date details.

#### If your circumstances change

If you have recently moved house, changed marital status, are co-habiting, or simply wish to check that the details held by the administration team are up-to-date, please ensure you contact them as soon as possible.

#### Where benefits are paid in the event of your death

Please also check with the administrators that you have an existing **Expression of Wish** form nominating your chosen beneficiaries and that this is up to date. If you do not believe you have completed one, do not panic as the Scheme will automatically pay a spouse's pension in the event of a member's death. However, an Expression of Wish can help the Trustees in making decisions in respect to any discretionary death benefits that may be payable.



## Taking your benefits

We understand that taking your pension can be one of the biggest financial decisions of a lifetime. As you navigate your retirement, it's important to stay informed about the resources available to you.

- Age UK offers a wealth of advice on everything from health to financial planning: [www.ageuk.org.uk](http://www.ageuk.org.uk)
- If you're looking to understand what benefits you might be entitled to, Entitled To is a useful tool for checking eligibility: [www.entitledto.co.uk](http://www.entitledto.co.uk)
- Additionally, the Citizens Advice Bureau provides free, confidential advice on a wide range of issues, including pensions: [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

### Independent financial advice

If you are considering taking your benefits or transferring your benefits out of the scheme, we encourage you to get the right advice first.

While an adviser will charge for any services they provide, they will also provide you with strong, reliable advice that will better equip you to take long term financial decisions and to avoid any risks posed by scammers.

Although we are legally unable to offer financial advice, you can find a list of financial advisers at:

[www.fca.org.uk/firms/financial-services-register](http://www.fca.org.uk/firms/financial-services-register)

### MoneyHelper

If you are looking for help with any aspect of your personal finances, including your pension, you may find MoneyHelper a useful resource.

MoneyHelper is a government-backed service which brings together the Money Advice Service, the Pensions Advisory Service and Pension Wise.

The service is free and provides information, video guides and online tools aimed to help you manage your money by making choices clearer and cutting out the jargon. They also have a team of specialists you can talk to.

0800 138 7777

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

### What if the Scheme started to wind up?

In the event that the Scheme was discontinued and the liability for all benefit entitlements up to that date were transferred to an insurance company, there would be an additional amount of assets the Scheme would have needed to ensure benefits were paid in full (the full solvency position). At the last formal valuation in 2023 this amount was £226m. This was equivalent to a solvency funding level of 100%. It is a requirement to estimate this figure in order to get a complete picture of the Scheme's financial health, but it does not mean that the Company plans to close the Scheme and transferring benefits and assets to an insurance company.

However, if the Scheme did cease to exist and the Company was not able to pay enough to secure members' benefits in full, then the Pension Protection Fund (PPF) could possibly take over the Scheme and pay compensation to members. The intention of the PPF is to ensure that members receive the majority of their pension, rather than replicating each member's pension. This is typically approximately 90% of the pension earned for most members under normal pension age and 100% for most pensioners. However, it's important to note that there is an overall cap on pensions which may apply and any increases to pensions once in the PPF are not as generous as the increases that the Scheme would have provided.

For further information and guidance, this is available from the Pensions Protection Fund:

[www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk)

Email: [information@ppf.co.uk](mailto:information@ppf.co.uk)

Call: 0330 123 2222 (Monday to Friday, 9am–5.30pm)

### Statements about The Pensions Regulator's involvement with the Scheme

Legislation requires that we should tell you certain information about The Pensions Regulator's involvement in the Scheme:

- We confirm that The Pensions Regulator has made **no modifications** to or directions on the Scheme.
- We confirm that the Regulator has **not imposed** a Schedule of Contributions on the Scheme.



# PENSIONS NEWS

## Pension Dashboard

The Scheme continues to pursue one of the biggest tasks faced by the pension industry, the rolling out of the long-awaited Pension Dashboard project.

The Pension Dashboard is a government initiative which will enable individuals to **access their pension information online clearly, securely, and all in one place.** This will be particularly helpful when it comes to locating lost pensions, but also in general terms such as making requests through to your pension provider.

The Government has extended the deadline by which pension schemes must connect to the Pension Dashboard and this is now August 2025 for the BSS Group Pension Scheme. The Trustees are working closely with Hymans Robertson to ensure the Plan will be ready to connect to the Pension Dashboard by the deadline.

A report by the National Audit Office (NAO) on pensions dashboards has recorded progress in several key areas as the programme gathers momentum, pointing to areas of challenge but also identifying the net benefit of the programme to be around £211 million.

Acknowledging the main findings of the NAO's report, work continues to address areas for improvement as industry prepares to connect to the dashboards environment from August this year.

For further information on this project, please visit: [www.pensionsdashboardsprogramme.org.uk](http://www.pensionsdashboardsprogramme.org.uk)



## Lifetime Allowance (LTA) and Annual Allowance (AA)

The Annual Allowance (AA) is the maximum amount of pension savings an individual can make each year, while the Lifetime Allowance (LTA) was the maximum amount of tax relievible pension savings an individual could benefit from over the course of their lifetime.

From 6 April 2024, the LTA was fully abolished meaning those with a total pension pot that exceeds the LTA (£1,073,100) no longer face additional tax charges. HMRC have replaced the LTA with two new allowances: The Lump Sum Allowance (LSA) and The Lump Sum and Death Benefit Allowance (LSDBA).

Those who are likely to be affected by the abolishment of the LTA are individuals who receive lump sum payments or death benefits from registered pension schemes or relieved non-UK pension schemes, and those who have or intend to apply for Lifetime Allowance (LTA) protections, lump sum protections, or LTA enhancement factors.

For more information on this, please visit: [www.gov.uk/tax-on-pension](http://www.gov.uk/tax-on-pension)

## Minimum pension age

Currently, the earliest you can start to receive your pension is from age 55. With effect from 6 April 2028 any new pensions you have will have an increased minimum retirement age of 57.

The minimum Pension Age is not the same as your State Pension Age.

To find out your State Pension Age, please go to the Government website at: [www.gov.uk/state-pension-age](http://www.gov.uk/state-pension-age)

## Pension scams and cyber security

**It is more important than ever to stay vigilant against pension scams and cyber threats. The safety of your pension is our top priority, and we want to keep you informed about the proactive steps we're taking to protect your retirement savings.**

### What we're doing

The Scheme has several robust measures to enhance our cybersecurity framework and protect against potential threats, including:

- **Enhanced monitoring:** The Trustees abide by well established cyber policies, which clearly outlines the protocols in place to both measure and monitor cyber threats, and provides a detailed and efficient incident response plan aimed at ensuring the day to day operations of the Scheme can continue following any potential cyber threat.

The Scheme also uses ID-Pal which helps meet AML requirements in a simple, secure and convenient way by providing real-time verification protection.

- **Staff training:** The Trustee routinely undergoes extensive training on the latest cybersecurity practices and scam prevention techniques. This helps us stay ahead of emerging threats and better protect your pension.

In addition to this, the administrator, Hymans Robertson, have undertaken enhanced training on cyber security, and the Trustee has carried out appropriate due diligence of the administration policies.

- **Collaboration with experts:** We are working closely with experts and industry partners to ensure that both ours and the Scheme's service provider's defences are in line with the latest standards and best practices. As we try to improve, the cyber hackers also work hard to get into the systems. Information on Keeping Safe follows below.

The Financial Conduct Authority (FCA) has published guidance on how to identify and avoid pension scams: [www.fca.org.uk/scamsmart/how-avoid-pension-scams](http://www.fca.org.uk/scamsmart/how-avoid-pension-scams)

The Pensions Regulator (the UK regulator of occupational pension schemes) is also keen to raise awareness of pension scams and cyber security. Their guidance can be found at:

[www.thepensionsregulator.gov.uk/en/pension-scams](http://www.thepensionsregulator.gov.uk/en/pension-scams)

[www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/administration-detailed-guidance/cyber-security-principles](http://www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/administration-detailed-guidance/cyber-security-principles)

### Keeping safe

The rule of thumb should be to always take additional security steps if in doubt, but here are some additional suggestions to keep you and your finances safe:

- Cross reference addresses and website addresses from any correspondence with official communications
- Unexpected offers, unsolicited texts, emails, or social media messages will almost never be from a legitimate and official source and should always be approached with extreme caution
- The FCA has authorised advisers and services, which can be used as a safety measure at: [www.fca.org.uk/firms/financial-services-register](http://www.fca.org.uk/firms/financial-services-register)
- Never feel that you are rushed into deciding, particularly regarding your finances. Scammers will often provide alluring offers such as withdrawing your pension in a cash-lump-sum, without mentioning any possible tax implications.
- Authorised advisers registered with the FCA can provide impartial and practical advice with regards to your pension and help you to avoid possible scams.

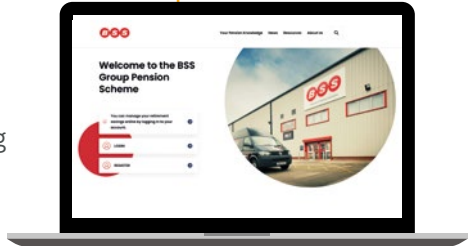
If you feel you have been contacted by a potential scammer, please contact us immediately. Likewise, you can also report them to the police at: [www.actionfraud.police.uk](http://www.actionfraud.police.uk)



You can access your pension through Prism.

If you have not already registered, you can do this by going to: [www.bsspensions.co.uk](http://www.bsspensions.co.uk)

If you have any difficulties accessing or registering your account, please contact Hymans Robertson.



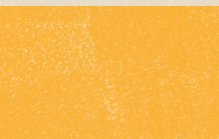
If you have any queries about your pension, please contact Hymans Robertson, the Scheme's administrators.

Email	Call	Address
<a href="mailto:BSSgroup@hymans.co.uk">BSSgroup@hymans.co.uk</a>	0121 212 8180 (Monday–Friday, 9am–5pm)	PO Box 27169 Glasgow G2 9NE





# Your Pension @ BSS



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