


BSS GROUP PENSION SCHEME

Trustee Newsletter June 2021

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<p>SOMETHING NEW – SOMETHING BETTER Members now have a dedicated Scheme website and so far 18.68% of members have registered. You can:</p> <ul style="list-style-type: none"> • Update your personal details • Provide your email and telephone number • Request quotations • Access pension payslips • Update your Expression of Wish • Use the planning tool to explore retirement options • Look up pension payroll dates <p>Details of how to register are on page 8.</p>	Impact of Covid19	2
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<p>As members know from our last Newsletter, the Trustees appointed Hymans Robertson to replace Capita in July 2020. We worked closely with Hymans Robertson to ensure a smooth transition of services. Unfortunately some members did experience delays in 2020 while things were being set up but Hymans Robertson have now worked through the initial backlog and members should expect a high-level of service going forward.</p>	Equalisation of GMPs	5
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<p>It is important that you keep Hymans Robertson informed of any change in your personal circumstances, for instance your address or marital status. You can do this via the Scheme website or by notifying Hymans Robertson direct. Their contact details are provided in this Newsletter.</p> <p>We hope you find the Newsletter interesting and useful. If there are any subjects you would like to see covered in future issues please let us know. Contact details for the Trustee are on page 9.</p>	The Pensions Regulator:	11
	<p><i>“Don’t let a scammer enjoy your retirement”</i></p>	
<p> Stella Girvin Chair of the Trustees June 2021</p>		

Impact of COVID-19

The Trustees and their advisers all successfully transitioned to remote working. The scheme investments were broadly protected against market movements and funding of the Scheme has remained strong. However, we remain in difficult times and it is impossible to predict all of the impacts the COVID-19 pandemic could still have. The Trustees continue to monitor the situation and will ensure that members are kept informed as appropriate. One thing we are very conscious of is that unscrupulous people are using the additional worry about personal finances and the markets to take advantage of scheme members. Please read the section below about scams and think very carefully before making any decisions which may damage your long-term interests.

Pension “scams”

A “scam” occurs, for example, when an individual is enticed to transfer their benefits to another pension arrangement, often overseas, on the promise that they can then access all their pension “pot” as a cash sum or achieve a better return. The transfer is effectively paid to a bogus scheme and members almost always lose everything.

The Trustee has a process in place with the administrators of the Scheme, Hymans Robertson, to alert members to the potential risks of transferring to another pension arrangement. It is, however, under current legislation, ultimately a member decision, so members are strongly advised to ensure they take independent financial advice before making any decision to transfer out of the scheme. If the value of your pension exceeds £30,000 it is a legal requirement to take independent financial advice and provide evidence of this before any transfer payment is made.

Pension “scams” are a real risk and members should be vigilant when considering transferring their benefits to another pension arrangement. The Pensions Regulator is keen to raise awareness of this issue by giving guidance to members of occupational pension schemes about action they can take to protect themselves from potential “scams”. The Pensions Regulator is the UK regulator of workplace pension schemes. They work with employers and those who run pensions so that people can save safely for their retirement.

A copy of the Pensions Regulators guidance is included as an appendix to this Newsletter and members who are considering transferring their benefits are encouraged to read this. You can find information about the Pensions Regulator and the guidance it offers by visiting its website at www.thepensionsregulator.gov.uk. You can also learn how to protect yourself from pension scams by visiting the ScamSmart website hosted by the Financial Conduct Authority.

How secure are my benefits

At least every three years, an estimate is made of how much the Scheme needs at that time to be able to pay all the future benefits, after allowing for future investment returns. This was done as at 30 September 2020 and the calculations show that, once Company contributions paid up to December 2020 are taken into account, the Scheme is currently sufficiently funded to pay all future benefits. More detail is given on page 6.

The Trustee has also been steadily reducing the amount of investment risk taken by the Scheme and this will help to keep the funding stable. More detail on investment is on page 4.

The Trustee and their Advisers

The Scheme is administered by a Trustee Company, BSS GPS Trustee Limited.

Trustees:	Stella Girvin, Chair – Independent Trustee Nicola McGowan (formerly Bartley) – Employer Nominated Director John Baker – Member Nominated Director Graham Malpas – Member Nominated Director John Harkness - Employer Nominated Director (resigned June 2021)
Actuary:	Richard Shackleton, Hymans Robertson
Independent Auditors:	Deloitte, LLP
Investment Managers: (Defined Benefit)	Aberdeen Standard Investments Ares Management LLC Baillie Gifford Life Limited (until 8 th July 2020) Insight Investment Management (Global) Limited Legal & General Investment Management Limited M&G Alternatives Investment Management Limited Royal London Asset Management
Solicitors:	Gowling WLG (UK) LLP
Investment Consultants:	Mercer Limited (until 1 st February 2021) XPS (from 1 st February 2021)
Benefit Administrators:	Capita Employee Solutions (until 3 rd July 2021) Hymans Robertson (from 3 rd July 2021)
Secretary to the Trustees:	Andy Mills, Capital Cranfield Trustees

Membership Statistics

	As at 30.09.20	As at 30.09.19
Deferred members (i.e. members who have left the Scheme, but are entitled to a pension from normal retirement age, including members who are still employed)	1,303	1,370
Pensioners and dependents (i.e. members or their dependants who are receiving a pension)	1,088	1,053
Total membership at the Scheme year-end	2,391	2,423

The Scheme closed to accrual of service pension benefits on 31st August 2018 so there are no active contributing members.

Financial Development

The net assets of the Scheme increased from £375,303,000 at 30th September 2019 to £389,269,000 at 30th September 2020. The following table shows the various categories of income and expenditure.

	30.09.20	30.09.19
	£	£
Contributions from Employers and Employees	10,811	11,216
Benefits payable and expenses	<u>(12,360)</u>	<u>(15,946)</u>
Net withdrawals from dealings with members	(1,549)	(4,730)
Net return on investments	<u>15,515</u>	<u>63,651</u>
Net increase in the fund during the year	13,966	58,921
Net assets of the Scheme at the start of the year	<u>375,303</u>	<u>316,382</u>
Net assets of the Scheme at the end of the year	<u>389,269</u>	<u>375,303</u>

Scheme Investments

The Scheme's invested assets were £389,269,000 at 30th September 2020, split as shown in the table below.

Manager	Fund	30 September 2020 (%)	30 September 2019 (%)
Aberdeen Standard	Global Absolute Return Strategies	4.5	4.4
Ares	Secured Income Fund	4.8	4.9
Baillie Gifford	Long Term Global Growth*	4.2	2.3
Insight	Segregated Liability Hedging	25.4	39.6
	Secured Finance	2.6	2.7
	Broad Opportunities Fund	4.4	4.8
	High Grade Asset Backed Security**	10.3	-
	Segregated Buy & Maintain Credit	15.7	12.5
LGIM	Global Equity (RAFI – Hedged)	2.0	2.3
	HLV Property	3.8	3.8
	Sterling Liquidity Fund*	-	-
M&G	Secured Property Income Fund	3.6	3.8
	Illiquid Credit Opportunities Fund II	4.8	5.2
RLAM	Segregated Buy & Maintain Credit	13.8	13.7
Various	Additional Voluntary Contributions (AVCs)	0.1	-
Total Scheme		100.0	100.0

Source: investment managers. Figures may not sum due to rounding.

* Mandates were terminated on 9 July 2020 (LGIM Sterling Liquidity Fund) and during November 2020 (Baillie Gifford and LGIM Global Equity)

** Invested from February 2020

Pension Increases

Under the rules of the Scheme, pensions in payment in excess of any Guaranteed Minimum Pension (GMP) are increased on each 1 April in line with the increase in the Retail Prices Index (RPI), subject to:

- A maximum of 5% a year in respect of pensions accrued before 1 June 2005
- A maximum of 2.5% a year in respect of pensions accrued on or after 1 June 2005

For this purpose, the appropriate RPI figure to use is that for the year ended in the immediately preceding November. All GMPs in payment receive statutory increases.

On 1st April 2021 increases were awarded as follows:

Pre 2005 service	2.2%
Post 2005 service	2.2%
Pre 88 GMP	0% (Non increasing element)
Post 88 GMP	1.7%

General Data Protection Regulation (GDPR)

The Trustee wants to reassure members that they take great care to ensure member's personal data is safe and secure, and that they comply with the General Data Protection Regulation (GDPR). If you would like a copy of the detailed privacy notice please email the Secretary to the Trustee, Andy Mills, at a.mills@capitalcranfield.com.

Equalisation of Guaranteed Minimum Pensions (GMPs)

As we advised in the 2020 newsletter, in a landmark decision, which will impact most Defined Benefit Schemes, the High Court held on 28 October 2018 ruled that pension schemes must equalise benefits for the effect of Guaranteed Minimum Pensions (GMPs) being different for men and women.

In brief, some members might be in line for a small top up to their pension but others will see no change. Nobody will have their pension reduced as a result. The members who may be affected are those who were contributing members of the Scheme between 17 May 1990 and 5 April 1997.

The Trustees have formed a working-party specifically to address the impact of the equalisation of GMPs and members will be contacted in due course if they are impacted. Members should be aware that this project is likely to take time, as long as 2-3 years, to address. This is due to the industry awaiting clarification of the detail on how GMPs can be equalised.

Scheme Funding - Summary Funding Statement

The Trustees' appoint a Scheme Actuary to carry out a full valuation of the Scheme every 3 years. In the intervening period, the Scheme Actuary must provide the Trustees with an annual report which shows any changes to the Scheme funding position since the previous valuation.

The latest formal valuation of the Scheme was carried out as at 30 September 2020 and a summary of the outcome is provided below.

Results of the Latest Valuation

The results of the Actuary's latest valuation in 2020 are shown below, together with the results of the annual updating report as at 30th September 2019.

Valuation date	30 September 2020 (£ thousand)	30 September 2019 (£ thousand)
Assets	389,000	375,081
Amount needed to provide benefits	390,000	400,644
Excess/(Shortfall)	(1,000)	(25,563)
Funding level	99%	94%

The Scheme's funding level shows how its liabilities (the money it expects to pay out now, and in the future) compares with its assets. These assets build up over time through Company contributions and investment income. If the assets are worth less than the liabilities, the Scheme has a 'shortfall' and if the assets are worth more than the liabilities, then the Scheme had a 'surplus'. As you can see, as at 30th September 2020, the Scheme had a deficit with 99% of the money it needed to pay all benefits due then, and in the future.

These calculations are only a snapshot in time, and as factors such as market conditions and life expectancy change, it is normal for the funding level to fluctuate over time.

Contributions from the Company

The Company continued contribution payments throughout the lockdown period in 2020. These ceased in December 2020 as the Scheme was no longer in shortfall.

Securing Benefits with an Insurance Company

The Trustees aim to have enough money in the Scheme to pay pensions and other benefits to members. So long as the Company continues to support the Scheme, the Trustees expect to pay your benefits in full when they become due.

The Scheme Actuary also works out how much money the Scheme would need if the Company could no longer support it, the Scheme was wound up and the Trustees' secured members' benefits by buying an insurance policy.

Securing benefits in this way is very expensive as insurance companies must set up significant reserves and adopt very conservative investment strategies when taking on such business; furthermore, they build in a profit margin to the amount they charge. Therefore, as for virtually all pension funds in the UK, there would be a significant funding deficit on this measure.

The estimated amount of assets needed to ensure that all members' benefits could be paid in full if the Scheme wound up on 30th September 2020 was £531m, resulting in a shortfall of £149m.

If there was not enough money in Scheme to buy out all the benefits with an insurance policy the Company would have to make up the shortfall. However, if the Scheme is wound up at a time when the Travis Perkins companies go out of business and don't have the money to pay the benefits promised, the Government has set up the Pension Protection Fund (PPF) which can pay compensation to members.

Further information and guidance is available on the PPF website at www.ppf.co.uk. Or you can write to the Pension Protection Fund at Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA.

Please note that the Trustee is required to tell you this information and the Company or the Trustees are not thinking of winding-up the Scheme. The Company remains fully committed to ensuring the financial security of members' benefits.

Legal confirmations

Legally we have to confirm that there have been no payments to the Company out of Scheme funds in the year ended 30th September 2020. We can also confirm that the Pensions Regulator has not intervened to change the way that benefits build up, the way valuations are calculated or the way any funding shortfall is met.

Member online services (PensionsWEB)

Hymans Robertson, the Scheme Administrator, provide a dedicated Scheme website which is designed to ease the member experience by allowing you to access your own personal details and information about your pension online anytime, anywhere.

Members are encouraged to register on the site. You'll have easy access to all the pension scheme documents and forms, and simple explanations about technical pension terms to help you understand more about your retirement savings with the Scheme.

All you'll need to register are your:

- National Insurance Number
- Date of Birth
- Postcode
- Telephone number, and
- Email address

Four simple steps to register:

Step One: Go to www.TravisPerkinsPensions.co.uk and click on Register.

Step Two: Enter your National Insurance Number, Date of Birth and Postcode. Click 'NEXT'.

Step Three: You'll be prompted to choose a unique username and password, and to enter your email address and telephone number. Once added, click 'NEXT'.

Step Four: Finally, you'll be asked to answer a selection of security questions. Click 'NEXT' when done.

If we already held your email address on record before you began the registration process, we will email your unique Personal Identification Number (PIN) which you'll need to enter the first time you log in to your account. If we did not hold your email address at this time, we will write to you at your home address to confirm your PIN. Next time you log in to your account you will only need to enter your username and password. Make sure you keep this information safe because it gives access to your personal information.

Members are encouraged to use the site as much as possible. If you experience any difficulty with logging in or registering on the site please contact the PensionsWEB helpdesk via the following:

Tel: 0141 566 7522

Help and Advice

If you have any queries about the Scheme or your individual benefit entitlement you can contact the Administration Team by post, phone or e-mail using the details below:

BSS Group Pension Scheme
Hymans Robertson LLP
45 Church Street
Birmingham
B3 2RT

Pensions team helpline: 0121 212 8180 (phone lines are open from 9am to 5pm)
Pensions team mailbox: BSSGroup@hymans.co.uk

It is important that you keep Hymans Robertson informed of any change of address. If Hymans Robertson are not kept updated this could delay the payment of your Scheme entitlement when it does become due.

Please remember to quote your National Insurance number in all correspondence.

The Secretary to the Trustee is Andy Mills, who can be contacted at the following address:

Secretary to the Trustee
BSS Group Pension Scheme
Capital Cranfield Trustees Limited
Unit 15, Poplars Court
Lenton Lane
Nottingham
NG7 2RR
Email: travisperkins@cctl.co.uk

Internal Dispute Resolution Procedure (IDRP)

The Trustee works to ensure that the Scheme is well run, and that the interests of its members are protected. However, there may be occasions when you are unhappy about some aspects of the way that the Scheme runs and you may wish to make an official complaint.

We will always try and resolve disputes in an informal way. You should therefore contact the Scheme Administrators, Hymans Robertson, in the first instance at the following address:

BSS Group Pension Scheme
Hymans Robertson LLP
45 Church Street
Birmingham
B3 2RT

Pensions team helpline: 0121 212 8180 (phone lines are open from 9am to 5pm)
Pensions team mailbox: BSSGroup@hymans.co.uk

If you are unable to resolve your complaint with Hymans Robertson you should write to the Secretary to the Trustee, providing any documentary evidence in support of your complaint, as follows:

Secretary to the Trustee
BSS Group Pension Scheme
Capital Cranfield Trustees Limited
Unit 15, Poplars Court
Lenton Lane
Nottingham
NG7 2RR
Email: travisperkins@cctl.co.uk

Where can I get more information?

If you have any other questions, or would like any more information, please contact the Trustee via the Secretary to the Trustee.



For and on behalf of the Trustee of the BSS Group Pension Scheme

Additional documents available on request

- The *Statement of Investment Principles*. This explains how the Trustee invests the Scheme assets.
- The *Schedule of Contributions*. This shows the amount that is being paid into the Scheme.
- The *Annual Report and Accounts of the Scheme*, which shows the Scheme's income and expenditure in the year up to 30th September 2020.
- The latest full report on the *Actuarial Valuation as at 30th September 2020*.
- *General Data Protection Regulation (GDPR) Privacy Notice*.

Don't let a scammer enjoy your retirement



Find out how pension scams work, how to avoid them and what to do if you suspect a scam.



Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.

Scam tactics include:



- contact out of the blue



- promises of high / guaranteed returns



- free pension reviews



- access to your pension before age 55



- pressure to act quickly

If you suspect a scam, report it

- Report to the Financial Conduct Authority (FCA)
by contacting their Consumer Helpline on **0800 111 6768** or using the reporting form at www.fca.org.uk
- Report to Action Fraud
on **0300 123 2040** or at www.actionfraud.police.uk
- If you're in the middle of a transfer, **contact your provider immediately** and then get in touch with The Pensions Advisory Service (TPAS) at www.thepensionsadvisoryservice.org.uk

Four simple steps to protect yourself from pension scams

1

Reject unexpected offers

If you're contacted out of the blue about your pension, chances are it's high risk or a scam. Be wary of free pension review offers. A free offer out of the blue from a company you have not dealt with before is probably a scam. Fortunately, research shows that 95% of unexpected pension offers are rejected.*

2

Check who you're dealing with

Check the [Financial Services Register \(www.register.fca.org.uk\)](http://www.register.fca.org.uk) to make sure that anyone offering you advice or other financial services is FCA-authorised.

If you don't use an FCA-authorised firm, you also won't have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. So you're unlikely to get your money back if things go wrong. If the firm is on the FCA Register, you should call the Consumer Helpline on 0800 111 6768 to check the firm is permitted to give pension advice.

Beware of fraudsters pretending to be from a firm authorised by the FCA, as it could be what we call a 'clone firm'. Use the contact details provided on the FCA Register, not the details they give you.

3

Don't be rushed or pressured

Take your time to make all the checks you need – even if this means turning down an 'amazing deal'. Be wary of promised returns that sound too good to be true and don't be rushed or pressured into making a decision.

4

Get impartial information and advice

The [Pensions Advisory Service \(www.thepensionsadvisoryservice.org.uk\)](http://www.thepensionsadvisoryservice.org.uk) – Provides free independent and impartial information and guidance.

[Pension Wise \(www.pensionwise.gov.uk\)](http://www.pensionwise.gov.uk) – If you're over 50 and have a defined contribution (DC) pension, Pension Wise offers pre-booked appointments to talk through your retirement options.

Financial advisers – It's important you make the best decision for your own personal circumstances, so you should seriously consider using the services of a financial adviser. If you do opt for an adviser, be sure to use one that is regulated by the FCA and never take investment advice from the company that contacted you or an adviser they suggest, as this may be part of the scam.

Be ScamSmart with your pension. Check who you are dealing with.