

Amey

Your Amey OS Pension Scheme

An update for you

Spring 2025

As Trustee of the Amey OS Pension Scheme, we work hard to look after your pension. In these newsletters we keep you up to date with how we manage the Scheme and how it's funded.

As you can see, we've revamped our look and feel to align with Amey's new branding. In this latest edition of your new-look newsletter, we cover the latest funding figures for your section of the Scheme, and we offer a round-up of the work we've been doing to further secure pensions for the future. There's also a summary of recent pensions news, reminders of how to spot a pension scam, and some suggestions for what you can do on our website.

Welcome to your Spring 2025 newsletter

We have good news. Our most recent valuation – a formal check of the Scheme’s funding level carried out by our actuary – shows the Scheme is in a strong funding position.

In last year’s newsletter, we told you about the latest buy-in we secured with the Pensions Insurance Corporation (PIC) in 2022. This insurance policy we hold with PIC now sits alongside the existing policy we’ve had with Just Group since 2016. Together, these two policies guarantee all the money we need to pay pensions, now and in the future. There’s a reminder about this positive step on pages 4 and 5.

On pages 6 to 9, you’ll see our updated funding position since the last valuation in 2020. In that time, the security of your benefits and the Scheme in general has increased – thanks to our latest buy-in. So the news in this edition is overwhelmingly positive.

Sadly though, pension scams remain a real threat to members everywhere. You can be particularly vulnerable to scams if you’re about to retire or thinking of transferring your pension out. On page 10, we’ve highlighted what to look out for, and outlined the checks we carry out to keep you safe if you want to transfer out of the Scheme.

Finally, on page 11, there’s a reminder of the things you can do and the information you can find on our dedicated website. And of course your administrators, Railpen, are always ready to answer any questions you have via the contact details on the back page.

From all of us at the Amey OS Pension Scheme, we wish you a happy new year. We’ll continue working hard for you in 2025.

Yours sincerely

Sam Burden & Payam Kazemian

For and on behalf of Zedra
Governance Limited

Sound management, secure pensions

We are delighted that the latest valuation confirms the Scheme is in a strong position. We strive to manage the Scheme to the highest possible standards and the funding level is a reflection of this. We are also grateful to the company, which regularly pays money into the Scheme, for its ongoing support. Together these factors have resulted in a good level of security for the Scheme and your benefits.

We've been working on reducing risk

One of our highest priorities is to make sure there is always enough money to pay all the pensions from the Scheme. So we have been taking steps to make this happen. We explained in last year's newsletter that Scheme pensions are now guaranteed by two leading financial services companies as a result of a process known as a buy-in.

Here's a reminder of our latest buy-in with PIC

In December 2022, we further secured Scheme pensions with the Pension Insurance Corporation (PIC). PIC is one of the UK's pre-eminent pension insurance providers. It insures benefits for a whole range of major UK pension schemes as well as ours - including Philips, Cadbury, Alliance Unichem, British Steel, the Co-op and Marks & Spencer.

The PIC policy sits alongside similar policies we previously took out with Just Group, another major financial services group that looks after over £23bn of pension savings. Taking these actions has considerably reduced risks to the Scheme, while improving the security of your benefits.

We're also looking to the future

We are always looking at ways to make the Scheme even more secure in the future. One option we could consider is a 'buyout', where we use the money in the Scheme to buy individual insurance policies to pay your benefits directly. In a buyout the Scheme itself would wind up (close down) and our chosen insurance company would take over full responsibility for paying all the pensions, now and in the future.

Before we can consider a buyout, we need to ensure the Scheme is fully funded on the 'solvency' basis. This is a way of calculating how much money the Scheme would need to insure all the benefits in a buyout. You can find out more about this in the funding update on pages 6 to 9.

The Autumn budget hasn't affected our plans

In Autumn 2024, the government announced a Budget that contained information about UK pensions. None of the details affect our plans for the future, or the security of our Scheme.

Some future changes could affect pension scheme members though. Here's the gist of what the Budget has in store, so you can check the information for yourself. You can also find more details on our website at my-amey-os-pension.com/news

- The State Pension will increase by 4.1% from April 2025.
- There may be extra tax to pay if you decide to transfer your pension out to a pension scheme overseas.
- From April 2027, 'unspent' pensions people leave when they die will be included when working out inheritance tax. This is unlikely to affect Scheme pensions very much because pensions the Scheme pays to your spouse or dependant after you die aren't included. Only cash death benefits are included.

The latest summary funding statement

As at 30 September 2023

As your Trustee, it's our responsibility to make sure the Amey OS Pension Scheme is always well run, secure and properly funded.

The results of our September 2023 valuation

Every three years we ask an actuary, an independent adviser who specialises in assessing how pension schemes will develop in future, to carry out a formal, in-depth review of the Scheme called a 'valuation'. Our actuary, Jeremy Clack of Broadstone, carried out the latest valuation using information about the Scheme that was current at 30 September 2023.

As part of a valuation, the Trustee and the company agree a range of assumptions about things like future inflation, investment performance and members' life expectancy. The actuary then uses the assumptions to compare the value of the assets with the value of the liabilities. This can be expressed either as a percentage difference called the 'funding level', or as a numerical difference in pounds – a surplus or shortfall.

We're in a better financial position than ever

There are lots of ways of calculating the funding level of a scheme. The main ones are referred to as 'solvency basis' and 'technical provisions'.

The technical provisions basis shows how much money the Scheme needs to pay all the benefits. The solvency basis is an estimate of how much money the Scheme would need to pay an insurance company for a buy-out. This is where the insurance company gives each member their own insurance policy and takes over the responsibility for paying their pension.

Following the most recent buy-in, which you can read about on page 4, the vast majority of members' benefits have been secured with insurance companies. Because of this, we decided to make the technical provisions the same as the solvency basis. You can read more about this on page 8.

Although the amount of assets in the Amey section has dropped quite a bit, the cost of buying out all the benefits with an insurance company has dropped even more. That's why the funding level has gone up. This has happened because of changes in financial markets since 2020, particularly the price of government bonds. The company has paid money into the section, which has helped, too.

Assets (£)

How much money the Amey section has

Solvency funding level (%)

How much money the Amey section has, compared to how much it would need to secure a buyout



Other calculations of the Scheme's funding level

At the 2020 valuation, the technical provisions wasn't equal to the solvency basis. It allowed for the possibility of extra investment returns on the Scheme's assets and showed a funding level of 138%.

That way of doing things isn't relevant any more. We've passed nearly all the assets over to the insurance companies we talk about on page 4. So we won't get extra investment returns in the future. That's why we've made the technical provisions equal to the solvency basis. The funding level on this basis looks like it's dropped quite a lot - but it's only because we're not allowing for extra investment returns any more.

Here's how many members are in the Amey section of the Scheme

	September 2020	September 2023
Members who are taking their pension	329	337
Members who haven't retired yet	143	117
Total	472	454

Payments between the Scheme and the company

As the 2023 valuation showed we are 97% funded, there is a slight shortfall. We have agreed with the company that they will contribute to the Scheme to help make up that shortfall. So, from January 2025, the company will be contributing £3,600 a month to the Amey section. We will use this money to help get the funding level up to 100% over time. If more money than this is needed, we will work with the company to get more money into the section.

We're required by law to tell you whether any money was sent from the Scheme back to the company. We can confirm this didn't happen at any point last year. We're also required to tell you that the Pensions Regulator has not had to give us any directives.

Any questions?

If you have any questions about Scheme funding, please contact our administrators, Railpen. The contact details are on the last page.

Beware of pension scams

Pension scams – attempts to steal your pension savings, usually by persuading you to transfer your pension – are sadly a fact of life. Please be wary of anyone offering to review your pension without being asked, even if they claim to be a financial adviser, or from a government service like MoneyHelper or Pension Wise.

Report suspected scams

You can report suspected scams to Action Fraud, the police reporting service.

Phone: 0300 123 2040

Website: actionfraud.police.uk

If you have been contacted by someone claiming to be a financial adviser, you can report them to the Financial Conduct Authority (FCA)'s Scamsmart service.

Phone: 0800 111 6768

Website: fca.org.uk/consumers/report-scam

How we help to keep you safe from scams

If you ask to transfer your pension out of the Scheme, we'll look carefully into the pension scheme you want to transfer to and assign a flag to your transfer.

- A green flag means you've asked to transfer to a legitimate pension scheme and we don't think it's a scam.
- An amber flag means we need to do some extra checks. We may ask you for more information.
- A red flag means we think it's likely to be a scam.

Taking financial advice

If you want to transfer your pension and it's worth more than £30,000, you must speak to an FCA-regulated independent financial adviser first. The government's MoneyHelper service has a guide to choosing a financial adviser and a list of financial advisers that specialise in retirement planning. You can find this at www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser

Do more online

Do you know about all the things you can do on our pension website? Go to my-amey-os-pension.com to find out.

Understand your pension, plan your retirement

- There are **FAQs** all about the Scheme and pensions in general.
- In your section, you'll find past newsletters and documents about the Scheme.
- On the **Retirement options** page you can find out more about the options available with your Scheme pension, and download a retirement pack.
- You can use the **Glossary** to check what various pension words mean.

Tell us who matters

You can also download an **Expression of Wish** form. This form tells the Trustee who you'd like to receive benefits from your pension if you die. Even if you've filled one of these forms in before, or think you have, it's worth doing it again.

Guidance from MoneyHelper

The government's MoneyHelper service, www.moneyhelper.org.uk, brings free and impartial guidance about pensions and personal finances together in one place. However, it doesn't offer financial advice - specific advice tailored to you and your circumstances. If you want this kind of advice, you'll need to pay a financial adviser. See 'Taking financial advice' on page 10 for more about this.

Remember, if you haven't already retired, you will have some options for taking your benefits when you do retire. For example, you could take a tax-free cash lump sum. You can find out more about this on the **Retirement options** page of our website, as we've set out above. Or, you can ask Railpen about your retirement options, using the contact details on the last page.

Before you make any decisions, we would strongly encourage you to take independent financial advice – especially if you are thinking of transferring your pension benefits out of the Scheme. See 'Taking advice' on page 10 for more about this.

Get in touch

If you have any questions about your pension or the Scheme in general, please contact your Scheme administrator, Railpen.

Email: amey@railpen.com

Phone: 0345 112 0025

(Calls may cost up to 9p a minute from a UK landline, depending on your call package.)

Write to:

Amey OS Pension Scheme
PO Box 193
Darlington
DL1 9FP

Check the news page of the website my-amey-os-pension.com/news regularly for the latest news about the Scheme and pensions in general. If you use an RSS feed, you can add us to be notified of anything new.

Protecting your details

As your Trustee, we hold personal details about you. These details are used for running the Scheme and paying your benefits. They are never used for any other reason. You can ask to see a copy of the details we hold about you at any time.

To find out more about how we hold and process your personal details please look at the privacy policy on our website, my-amey-os-pension.com. You'll find it at the bottom of all the website pages.

Documents about the Scheme

You can ask to see documents about the Scheme. These include:

- the Trust Deed and Rules
- the Statement of Funding Principles
- the Statement of Investment Principles
- the Schedule of Contributions
- the Recovery Plan
- the Annual Report and Accounts, and
- the latest Scheme Funding Report.

You can download some of these documents from our website, my-amey-os-pension.com. You may also be able to ask for a benefit statement and a Scheme booklet.