

Your Amey OS Pension Scheme

The latest update



Spring 2023



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Welcome to your Spring 2023 newsletter

As Trustee of the Amey OS Pension Scheme, we're in charge of looking after your pension and keeping it safe for the future.

These newsletters keep you up to date with what we've been doing, how the scheme is funded, and important pension news that might affect you.

In this edition, you can learn how to start planning for your future online. We share tips to help you stay safe from scams, and we've got the latest figures for the scheme's funds.

We're pleased to announce that we've agreed a 'buy-in' of the scheme's benefits with an insurer called the Pension Insurance Corporation ('PIC'). This has accelerated the scheme's funding and increased the security of the scheme and your benefits.

We're also providing you with more details about the recent change in Amey's ownership. We can reassure you that this change has no effect on your pension. You'll still receive your money as planned when you retire.

We also welcome our new Trustees, Sam Burden and Payam Kazemian who are taking over from Kim Nash as she takes a step back from the day-to-day running of the scheme. Sam and Payam have over 35 years' experience in the pensions industry between them, and will use their expertise to continue to look after the scheme for the benefit of all its members.



We recently took a huge step to enhance the security of your benefits

In December 2022, we completed a 'buy-in' with the Pension Insurance Corporation plc ('PIC'), a specialist insurer of defined benefit pension funds.

A buy-in is when a pension scheme purchases an insurance policy, which guarantees the insurer will provide the money needed to pay pensions for its members. To help fund the buy-in, the Company agreed to advance contributions in excess of £47m to the scheme, without which the transaction would not have been possible.

As a result of this approximately £400 million buy-in, PIC will pay current and future pensions for our nearly 3,500 members. This is a big step towards further reducing risk for the scheme and enhancing the security of your benefits.

To help PIC calculate the payments under the policy, we are providing PIC with information about insured members and their benefits. You can read the notice on www.my-amey-os-pension.com/privacy for more details about how we collect and process your personal information, which we have updated following the buy-in. It now includes a link to a similar notice on PIC's website.



Amey plc has new owners – but this won't affect your pension

In December 2022, Amey plc was sold for £400 million. The sale gives the company the opportunity to partner with new owners One Equity Partners (OEP) and Buckthorn to power the next phase of its development.

OEP is a middle-market private equity firm with approximately \$10 billion in assets under management, focused on building market-leading companies through transformative combinations within the industrial, healthcare, technology, and media sectors in North America and Europe.

Buckthorn invests in industrial businesses providing products and services that support the growth and integration of renewable energy, lower emissions, energy efficiency and improvements to existing infrastructure.

The amount of pension you receive is not changing

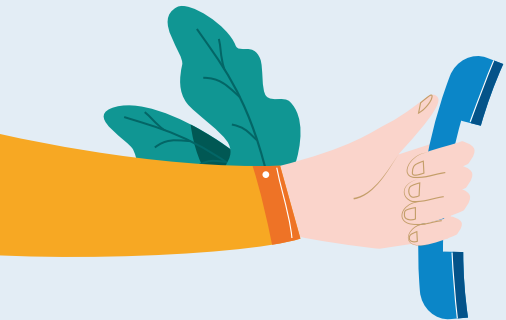
The scheme is operating as normal, and will continue to pay everyone's pensions. As your Trustee, we manage the pension independently of the company and closely monitor any changes in the company's ownership structure.

Amey doesn't control your pension, but it is the 'sponsoring employer', responsible for making sure the pension always has the money it needs. This means we still rely on Amey for scheme expenses and any potential future funding requirements, not its owner – whether that owner is Ferrovial, or OEP and Buckthorn.

Meet our advisers

As your Trustee, we look after the scheme for the benefit of its members. We make sure the scheme has the money it needs to pay pensions, and that this money is invested in a way that supports the scheme's goals. We also make sure our members have all the information they need and that they can get in touch with the scheme if needed.

We can't do all of this on our own. So we use the advice and support of qualified pensions experts.



Schroders

Schroders do the actual investing

Schroders act as our fiduciary manager and custodian of the scheme's assets. We set out what we want from the scheme's investments, and Schroders carries it out for us. Whilst most of the scheme benefits are now secured with insurers, Schroders help manage the remaining assets. It is responsible for things like:

- keeping an eye on the investment market and letting us know about any opportunities or potential issues
- changing the way the scheme's money is invested to help achieve the goals we set for the scheme
- overseeing other advisers to make sure that what they're doing aligns with that strategy

Broadstone

Broadstone calculates our finances

Broadstone is an actuarial company, which regularly reviews the scheme's finances against the measures we've set to make sure we're on track. It is responsible for things like:

- calculating the money we have (our assets) and the money we need (our liabilities)
- valuing the scheme at least once every three years and advising us of any changes we need to be aware of. They produce the information we need for the summary funding statement (like the one on page 14)
- making sure our investment strategy is right for the scheme and advising us of any changes to contribution or funding levels

RAILPEN

Railpen administers the scheme

Railpen is a pension scheme administrator. This means they look after members' data and they send members any information they need about their pension. The team at Railpen is responsible for things like:

- responding to any questions you send them by phone, email or post
- making sure all the data we hold for you is accurate and secure
- paying retired members' pensions and sending out retirement or transfer quotes to members who haven't started taking their benefits





Argyll Covenant look at the Trustee's relationship with the employer

Argyll Covenant is our independent financial adviser that helps us plan for the future. It looks at the scheme's and the employer's finances and provides expert advice on all aspects including assessments, corporate transactions, funding solutions and negotiations.



Squire Patton Boggs deal with the scheme's legal side

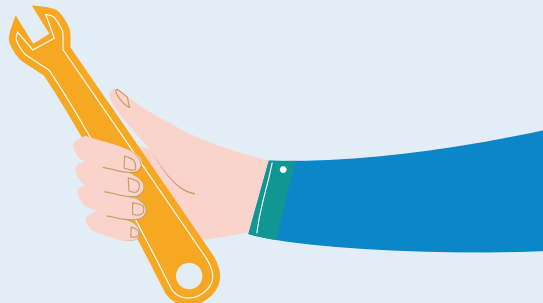
Squire Patton Boggs is our legal adviser. The UK has many laws specifically relating to pensions. The pensions industry is also heavily regulated to make sure members are protected. Every scheme like ours has a legal adviser to help keep up to date with all laws and regulations related to pensions. Squire Patton Boggs helps us do this with ongoing legal check-ins.



Zedra is the scheme's professional trustee

Sam Burden and Payam Kazemian from Zedra act as trustee for many different schemes so they're well experienced in running schemes. They've been appointed by Amey to manage a wide range of duties and responsibilities related to anything that affects the scheme, including:

- administration
- scheme assets
- investment beliefs and objectives
- valuation outcomes
- developments in pensions legislation or regulations
- changes to the scheme rules
- the appointment of advisers



Our advisers work together to manage the scheme's finances

We've been running in-depth reviews on the scheme's investment risk

Our advisers work together with the Trustee to manage the scheme's finances in the best interests of members like you. We're always checking to see what we can do to improve our funding and further secure our members' futures.

We're reducing our exposure to riskier assets

Investing always involves some risk. Taking risk is desirable because the riskier the investment, the

higher the potential reward – but of course this is considered carefully because the potential for loss is higher too. Investors need to keep a careful eye on how much risk they take, and what kind of risk it is.

Since 2021, we've been working with Schrodgers and Broadstone to assess the level of risk in the scheme. We were in a good position to reduce that risk by making some changes. We're reducing our investments in higher-risk assets and increasing our investments in assets likely to give lower but more reliable returns.

We've also secured benefits with a £400m buy-in

We recently secured a buy-in for approximately £400 million with the insurance company PIC (p3). As a result, PIC will pay current and future pensions for our nearly 3,500 members. The policy sits alongside similar policies that we've held with Just Group for certain pensioner members since 2016. As such, the vast majority of the scheme's benefits are now fully insured.

This alone is a huge step towards further reducing risk for the scheme, and enhancing the security of all members' benefits.

Get to know how we run the scheme

How we run the Amey OS Pension Scheme is your business. So if there's any information you particularly want to know, all you have to do is take a look on the website or get in touch.

Go to my-amey-os-pension.com to find out more about your section of the scheme. Under 'Scheme documents' you'll find:

- **Our formal Statement of Investment Principles**

This is the legally compliant version of this document. It lays out exactly how and why the scheme invests, as well as the legislation we adhere to. It also goes into more detail on things like risk and responsibilities.

- **Copies of past newsletters**

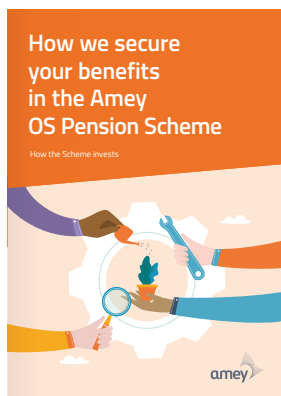
With every newsletter we send you, we update you on the financial position of the scheme and your section within it. Copies of these newsletters are online for you to see how the financial position of the scheme has fared in recent years.

- **Our annual accounts since 2015**

Our annual accounts can tell you about the assets and liabilities in the scheme, how many members we have, and how our investments perform from year to year.

- **Our member friendly guide**

Our member friendly guide tells you why we invest the money we have, how we choose the investments we do, and who supports us in keeping an eye on the scheme's financial health. A simple guide to the scheme's investments.



The age at which you can retire is set to rise

The government often reviews pensions and changes pension laws. Recently, they've raised the Normal Minimum Pension Age from 55 to 57. This means if your 57th birthday will be on or after 5 April 2028, you will need to be at least 57 before you can take your pension.

If you're not yet taking your pension, check the age you've told us you'd like us to start paying you. You can do this by contacting Railpen using the details on the back cover.

The State Pension age is also increasing and will reach 67 by 2028

This means that if you were born on or after 6 March 1961 you'll start receiving your State Pension when you're 67.

To check your State Pension age, visit gov.uk/state-pension-age



Watch out for transfer scams

Pensions scams are still on the rise. To help tackle this, the UK has recently introduced a new way to protect members of pension schemes who are transferring their money.

When scammers target members of pension schemes, they often try to get them to transfer their pension out of the scheme so the scammer can get hold of the money.

Under new regulations it may take longer to transfer your benefits

Now, if you ask us to transfer your benefits into a new pension arrangement, we'll spend a bit more time reviewing where the money is going. We'll then assign your request a 'flag'.

- A green flag means you've requested a transfer to an established pension arrangement, and we're not worried about it.
- An amber flag means we need to do some extra checks.
- A red flag means we think it's likely to be a scam.

Maybe you want to transfer your pension abroad or your transfer request shows signs of being a scam. In those cases you'll get an amber or red flag and you'll be told to seek financial advice using the government website, moneyhelper.org.uk

If lots of schemes around the UK assign an amber or red flag to a pension arrangement, or if lots of amber or red flags seem to involve a single unregistered 'adviser', it could trigger a government investigation.

This new system is another way for the pensions industry to pool our knowledge and try to stop scams. As always, we'll keep on top of any new regulations like these, continue to monitor any potential threats, and keep doing what we can to protect you and your money.



Speak to an Independent Financial Adviser

If you're thinking about transferring your benefits to another pension arrangement and they're worth more than £30,000, you'll have to speak to an Independent Financial Adviser (IFA) first. They can give you financial advice on what's best for you. To find an IFA to talk to, you can get started at moneyhelper.org.uk

And remember...

Do not talk to anyone who contacts you out of the blue about your pension

Many scams start with an unexpected phone call or an email offering a free pension review. Don't be tempted. It doesn't matter how friendly or helpful they seem, or how professional their website looks.

Check that any company you talk to is authorised by the Financial Conduct Authority (FCA)

They might claim to be authorised by the government, but that's not enough. Check they're FCA-regulated at register.fca.org.uk or by calling the FCA on 0800 111 6768. If they're on the register, make sure the contact details you've been given match.

Take your time – do not let anyone rush you

Scammers often urge you to act fast to avoid losing out. They know that the more time you have to think, the more likely you are to realise you're being conned. Don't be pressured into giving out personal details like your bank details, address or pension information.

Get independent advice from a professional

Don't be persuaded by friends, colleagues or family. Find an Independent Financial Adviser who's qualified to talk to you about your pension at [moneyhelper.org.uk](https://www.moneyhelper.org.uk)



Get help if you think you're being scammed

If you've been contacted by someone who could be a scammer, tell us immediately. You can also report them to the police at [actionfraud.police.uk](https://www.actionfraud.police.uk) and the FCA at [fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)

Pension Scammers: Don't Get Suckered In



This short animation shows just how easy it is to get suckered in by a scammer. Go to YouTube and search for **Pension Scammers: Don't Get Suckered In** to watch it. Please share it with anyone you know who might be thinking about moving their pension money.

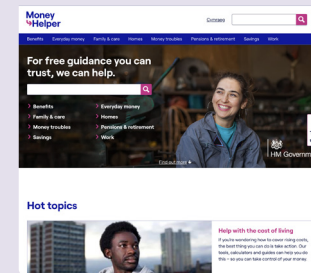
Connect to your pension online

It's never too early to start planning for your future, no matter how far away your retirement might be. We've put together a few websites you can use to help you.



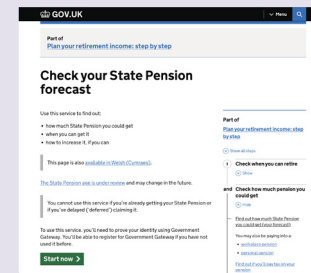
The Amey OS Pension website

You can read about your membership and the benefits open to you on our website. You can get this information using the tools and information on our website. You'll find them on the right-hand side of the website's homepage. Go to my-amey-os-pension.com



MoneyHelper

MoneyHelper is the government-backed website to help make your money and pension choices clearer. It's completely free and offers impartial information. Go to [moneyhelper.org.uk](https://www.moneyhelper.org.uk)



State Pension forecast

If you want to see how much State Pension you can expect to get, use the government's State Pension forecast service to find out:

- what your State Pension is currently forecasted to be
- when it's due to come into payment
- how you might be able to increase it

Go to [gov.uk/check-state-pension](https://www.gov.uk/check-state-pension)

The latest summary funding statement

The Trustee has a statutory duty to provide you with an annual update on the scheme's funding position. Please note this update does not take into account the recent accelerated funding contribution from the Company for the purposes of the buy-in as highlighted earlier in this newsletter.

An update on the scheme's financial position

As your Trustee, we work with Amey to make sure the Amey OS Pension Scheme is properly funded, secured and governed. A big part of this work is checking we have the assets we need to continue paying benefits long into the future.

To show you how your section of the scheme performed in 2021, here's the latest annual update.

Overall, the Amey OS Pension Scheme funding has improved

The funding of a scheme shows the value of its assets compared with its liabilities. This can be expressed either as a percentage difference (funding level) or as a numerical difference in pounds (a surplus or a shortfall).

In the year September 2020 to September 2021, the overall combined value of the assets in

the Amey OS Pension Scheme increased by £20.1m, which is great news.

Here's how the Amey section performed

Here's how the assets and liabilities changed in the Amey section of the scheme between September 2020 and September 2021:

September 2020	
Assets £36,619,000	Liabilities £26,566,000
Funding level 138%	Surplus £10,053,000

September 2021	
Assets £36,746,000	Liabilities £24,258,748
Funding level 151%	Surplus £12,487,252

Assets are the investments that the scheme holds. Their value can increase from investment returns and from contributions from the company.



Liabilities represent the pension payments we make to members now and in the future. They include any assumed changes in the economy and membership of the scheme.

Every three years, we have an independent actuary formally review the scheme. This review is called a 'valuation'. The latest valuation took place in September 2020. Since then, the overall value of the assets in your section of the Amey OS Pension Scheme increased by £12.5m.

Other calculations of the scheme's funding level

The actuaries also produce a figure for the 'solvency position' of a scheme as part of the full valuation every three years. This is based on how much money the scheme would need to pay an insurance company for a 'buyout', which is similar to the buy-in we describe on p3.

A buyout sees the insurance company take over all legal responsibility for the scheme's members and pay their pensions directly. This allows the scheme to 'wind up', or close down.

When calculating our solvency position, we take into account some assumptions about the future, such as the rate of investment returns and how many members will retire or leave the scheme.

The scheme isn't currently thinking of winding up. But if it were, it would need to be 100% funded on a solvency basis. At our last valuation in 2020, your section of the scheme was 72% funded based on this calculation. In 2021, this increased to 85%.

Payments between the scheme and the company

The company contributes money to the scheme every month. We invest this money to generate more returns. Contributions are agreed between the company and the scheme, and are based on how well-funded the scheme is at the time.

We're required by law to tell you whether or not any money was

sent from the scheme back to the company. We can confirm this didn't happen at any point in the last year. We can also confirm that we didn't receive any directives from The Pensions Regulator.

Amey funding levels are in good shape

In the longer term, we have a strategy for all sections of the scheme to be 'self-sufficient'. Self-sufficiency is when the scheme is no longer reliant on the employer to make future contributions.

On this basis, the Amey section of the scheme had 116% of the money it needed to become self-sufficient as at September 2021. The funding levels for other sections of the scheme were both good as well.

We continue to closely monitor the funding level, and we're invested in a broad range of asset classes – which helps protect the value of the assets in the scheme.

If you want to know more about the funding of the scheme, please get in touch with your scheme administrator, Railpen. See the back page.



If you have any questions about your pension, please contact your scheme administrator, Railpen.

Call: 0345 112 0025

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

Email: amey@railpen.com

Write to:

Amey OS Pension Scheme
PO Box 193
Darlington DL1 9FP

Check the website regularly for the latest scheme and pensions news: www.my-amey-os-pension.com

If you're tech savvy, you can use our RSS feed to alert you to anything new.

Let us know about any changes to your contact details

We want to make sure you're getting information quickly and not missing out. So please keep us updated with any changes in your home address or email address by contacting the scheme administrators using the details above.

