

Options

Uniper Trustee newsletter

- Coronavirus update
- Are your retirement savings on track?
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- Managing your pension easily online



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Trustee's message

Welcome to the latest edition of Options, the Trustee newsletter for members of the Uniper Group of the Electricity Supply Pension Scheme (the Scheme).

It's fair to say it's been a challenging – and unexpected – time for us all lately, given the impact of the coronavirus. I'd therefore like to update you on how the situation is affecting the Scheme, the services provided by its administrator, RPMI, and how we'll be helping you through this difficult time.

Our top priority is paying pensions. The Scheme has continued to pay pensions without interruption since the outbreak and we fully intend to continue to do so.

RPMI responded very quickly to the situation. Although many of the administration and support teams are still working remotely, they have operated as normal a service as possible. Rest assured the team is there to support you – it just may take a little longer to deal with any requests in some cases. We are all in these extraordinary times together, so I'd like to thank you for your patience.

Of course, the situation continues to evolve, but we will keep you updated with developments that affect you or the Scheme. Your member website ukpensions.uniper.energy will be the place to go to find the latest news.

In the meantime, I hope you and all your loved ones are well, safe, and managing as best you can.

Matt Bayes
Trustee Chair



Pension tax allowances

The maximum amount you can save in a pension over a lifetime (Lifetime Allowance) increased from £1,055,000 to £1,073,100 for the 2020/21 tax year.

From 6 April 2020, the Tapered Annual Allowance also changed. This affects how much high earners can save into their pensions with tax relief.

The change affects those who have a 'threshold income' over £200,000 and an 'adjusted income' above £240,000. The amount of tax relief you will benefit from will reduce for those with an adjusted income over £240,000, down to a possible minimum of £4,000.

You can learn more on pension tax allowances at Gov.uk/tax-on-your-private-pension and see if the Tapered Annual Allowance affects you at Gov.uk/guidance/pension-schemes-work-out-your-tapered-annual-allowance.

Uniper Group of the ESPS 2019 Valuation

Every three years the Trustee is legally required to undergo a formal valuation of the Scheme's assets and liabilities.

The latest valuation has a date of the 31 March 2019, and normally these valuations have to be completed within 15 months (by 30 June 2020 in our case). However, due to a number of factors, this has not been possible, although the Company and Trustees are committed to completing the valuation negotiations regarding ongoing and deficit repair contributions as soon as practicable.

Once these negotiations have been concluded, a formal note will be issued to all members regarding the results. At present, this is expected by year end. In the meantime your benefits remain secure within the Scheme.

Coronavirus update

The coronavirus has, of course, been a topic of great concern worldwide of late.

Please be assured that RPMI, the Group's administrator, has a robust Business Continuity Plan (BCP) in place, which closely tracks all Government and authoritative advice as well as monitoring its own situation.

A key priority is the continuity of service they provide for the Scheme and its members. RPMI has plans in place to ensure they will still be able to pay and process members' pensions as usual as the coronavirus situation continues to change.



Please note: the helplines will temporarily be available from 9am to 3pm (rather than the usual 8.30am to 5pm) to help RPMI teams prioritise key processes.

We appreciate your understanding as the situation progresses.

Be extra vigilant of pension scams!

With fraudsters trying to take advantage of the widespread anxiety caused by the coronavirus outbreak, it's more important than ever to protect your savings and make sure you don't fall for a scam.

During this uncertain time, some pension schemes members may consider transferring their pension (this is sometimes known as 'pension release') and become a prime target for pension scammers.

If you are thinking of transferring your pension, please be extra vigilant, and visit [ScamSmart](#) and [pension-scams.com](#) where you can find specific guidance relating to the coronavirus (COVID-19).

Transferring your pension without fully understanding all the consequences could put you at risk of losing your savings without any way of getting them back.

Scammers are known to be taking advantage by rushing decision-makers into illegal transfers, so please consider speaking to an independent financial adviser (IFA) who is registered with the Financial Conduct Authority before making any decisions about your finances. You can find a list of IFAs in your area at [VouchedFor](#) or [The Money Advice Service](#).

Tip: Before choosing an IFA, arrange a short meeting to get to know them a little and scope out the ways they might be able to help you. Take current financial information with you, like mortgage, savings, and insurance paperwork. Have a clear idea of what you want your IFA to do, and what your goals are.

So, how can you protect your pension?

Here are some tips on to help you protect your pension:

- Don't engage with cold calls (and texts or emails) – they're illegal
- Check, check and check again before you agree to anything to do with your pension
- Make sure your adviser is on the [Financial Conduct Authority \(FCA\) approved register](#)
- Check the [FCA's list of known scams](#)
- Don't fall for professional-looking websites or brochures
- Don't be lured by promises of early access to your pension, 'guaranteed' returns, pension loans or upfront cash
- Don't rush or be rushed

Before you sign anything, visit [The Pensions Advisory Service's website](#) or call them on **0800 011 3797** or the Money Advice Service on **0800 138 7777**.

And if you think you've been a victim of a scam, please report it to Action Fraud by calling **0300 123 2040**.

Are your retirement savings on track?

You can probably picture the retirement you want, but working out the cost can be tough.

The Pensions and Lifetime Savings Association (PLSA) has devised three benchmarks – Minimum, Moderate and Comfortable – to help future retirees understand what their lifestyle might cost.

[The Retirement Living Standards](#) are based on independent research by Loughborough University*. They assume that you will be mortgage and rent-free when you retire.

Picture your retirement

The Retirement Living Standards, below, will give you a sense of what different retirement lifestyles could cost. Remember, these standards are meant to be a helpful rule of thumb – they do not constitute financial advice.

How do I know if I'm on track?

Of course, we're all different. Our living costs depend on our lifestyles, household expenses, mortgage and rent, and other outgoings.

Check if you're on track to afford your living standard of choice by combining the current value of your workplace pension(s) with your forecasted State Pension entitlement, plus any other relevant savings.

You should check your latest annual benefit statement to see what your estimated benefits from the Scheme will be. You can learn more about your personal State Pension entitlement at [Gov.uk/check-state-pension](https://www.gov.uk/check-state-pension).

	MINIMUM	MODERATE	COMFORTABLE
Couple	£15,700 a year	£29,100 a year	£47,500 a year
What standard of living could you have?	Covers all your needs, with some left over for fun.	More financial security and flexibility.	More financial freedom and some luxuries.
 House	DIY maintenance and decorating one room a year.	Some help with maintenance and decorating each year.	Replace kitchen and bathroom every 10/15 years.
 Food & Drink	A £67 weekly food shop.	A £74 weekly food shop.	A £91 weekly food shop.
 Transport	No car.	3-year old car replaced every 10 years.	Two cars, each replaced every five years.
 Holidays & Leisure	A week and a long weekend in the UK every year.	2 weeks in Europe and a long weekend in the UK every year.	3 weeks in Europe every year.
 Clothing & Personal	£460 per person for clothing and footwear each year.	£750 per person for clothing and footwear each year.	Up to £1,500 per person for clothing and footwear each year.
 Helping others	£10 for each birthday present.	£30 for each birthday present.	£50 for each birthday present.

*Figures quoted are from the Retirement Living Standards published by the PLSA and Loughborough University. (Costs will be higher in London). Full details can be found at [Retirementlivingstandards.org.uk](https://retirementlivingstandards.org.uk).

Your annual statement... coming soon!

Your statement shows an estimate of the benefits you've built up in the Scheme and what you could receive at your normal retirement date.

If you're currently paying into the Scheme, you should receive a copy of your annual statement in August. If you are no longer paying in but not yet claiming your pension, you should receive a copy of your annual statement by September.

You can also check how much you've paid into the

Scheme during the last tax year and how much of your tax-free allowance (known as the 'Lifetime Allowance') this has used up.

The statement is a handy tool for your retirement planning – use it to see if your pension savings are on track to give you the income and lifestyle you want when you retire (see the article above to get a better understanding of what you might need).

From 2021, along with RPMI, we intend to issue your annual statement as a digital copy. You'll be able to view it in a secure area of the Uniper pensions website, which will be available later this year.

Important decisions

It's very important to make sure your pension is in safe hands, in the event that you become unable to manage it yourself. You can do so by appointing a Legal Power of Attorney (LPA) to make decisions on your behalf – that way someone you trust will be in charge of your affairs.

A Power of Attorney is a legal document that lets you decide who should manage your affairs if you're no longer capable yourself. If you don't appoint a Power of Attorney, all decisions could be made via the courts, which could result in expensive legal fees for you or your family.

Here is more information on the different types of Power of Attorney (you can set up more than one):

Ordinary Power of Attorney

This covers decisions about your financial affairs such as paying bills or investing money, and is valid while you have mental capacity. It is suitable if you need cover for a temporary period (for example, a hospital stay or holiday). You can limit the power you give so your Power of Attorney can only deal with certain assets. If you would like to set up an Ordinary Power of Attorney, contact your local Citizen's Advice bureau and/or get advice from a solicitor.

Lasting Power of Attorney (LPA)

This covers decisions about your financial affairs or your health and care. It comes into effect if you lose mental

capacity or if you no longer want to make decisions for yourself.

If you are married or in a civil partnership, don't assume your spouse will automatically be able to deal with your pension if you lose the ability to do so. Without an LPA, they don't have the authority.

If you want to set up an LPA, you must do this while you are still able to make decisions for yourself. You can use the [online service](#) or download the forms [here](#).

In England and Wales, the person giving another person authority to act on their behalf is called the 'donor'. In Scotland, the person giving another person the authority to act on their behalf is called the 'granter'.

In Scotland, Ordinary Power of Attorney is known as Continuing Power of Attorney and Lasting Power of Attorney is known as Welfare Power of Attorney.

You can register someone you trust as an Ordinary or Welfare Power of Attorney [online](#) or by post.

Your 2020 pension increase – for those currently in receipt of a pension from the Scheme

For the 2020/2021 tax year, your pension increased by up to 2.4%. This was effective from 1 April 2020.

What is the increase based on?

Your pension is reviewed each year and increases according to orders published by the government. So, for example, the increase for the 2020/21 tax year is based on the Retail Price Index (RPI) figure as at September 2019 (2.4%).

Will everyone get the full 2.4% increase?

Only those who took their pension benefits – or became a preserved pensioner – on or before 1 April 2019 will get the full 2.4%.

If you took your benefits – or became a preserved pensioner – on or after 2 April 2019, you won't get the full amount because you've been retired – or preserved – for less than a year. Spouses' pensions increase in the

same way.

If your pension includes Guaranteed Minimum Pension (GMP) a lower increase may apply to part of your pension. GMP would have been built up during any service between 1978 and 1997 and increases will apply at a lower rate to the GMP element of the pension after age 60 for women and after age 65 for men.

And how about the State Pension?

State Pensions increased by 3.9% in April 2020. As a result of this increase, the basic State Pension (BSP) increased from £129.20 to £134.25 per week and the new State Pension increased from £168.60 to £175.20 per week.

If you have any questions about your State Pension increase, you can contact DWP Pension Service claim line on **0800 731 7898** (textphone: **0800 731 7339**). Phone lines are open Monday to Friday, 8am to 6pm (except public holidays).



What happens when you die?

Will it be financial peace of mind or financial desperation for your loved ones?

Imagine that you came into a, potentially large, sum of tax-free money. And perhaps that money was several times larger than your annual salary.

Now imagine, that you hand that money over to people you do not know, have probably never met and who you have only heard about – and then ask them to decide what they are going to do with it. Would you do it? Perhaps not. But that is exactly what many of your fellow pension scheme members are doing – and maybe you are too.

Let me explain. Your pension scheme is designed to provide you with an income when you retire, as well as quite possibly a large lump sum and pension to your loved ones when you die.

Let's face it, we are all going to die, hopefully later rather than sooner, but that is an inevitable and unavoidable fact of life. What then happens to your money (and yes, your pension benefit is, after all, your money) is governed by three things – the law, the Deed and Rules of the Trust that holds your money, and the decisions of Trustees of the pension scheme.

When you die, the law and the Rules of the scheme determine what tax is applicable and what happens to some of your money (for example, a spouse or child pension). But deciding what happens to potentially large amounts of your money is up to the Trustees of the scheme – the Trustees are those people who you do not

know, who you've probably never met and who you have only heard about.

So who are they and why are they deciding what happens to your money?

Who are the Trustees?

Technically, a pension Trustee is someone who holds a pension scheme's assets on behalf of its beneficiaries. Trustees are people who have been appointed to govern the pension scheme in accordance with the law and the pension scheme Trust Deed and Rules. They act separately from the employer and for the benefit of scheme members. A Trustee can also be a company, in which case the governance is vested in the Trustee Directors of that company.

Normally Trustees (and Trustee Directors) are appointed by the sponsoring company. They can be a Company representative, or nominated by the scheme members, or can be a professional independent Trustee. But however they are appointed, they all have the same duty, which is to act in the interests of the scheme members. To help with this, they receive training and are obliged to keep their Trustee knowledge and understanding updated. A professional Trustee is expected to pass certain examinations in trusteeship and pension law and is held by the Pension Regulator to higher standards of knowledge and behaviours than a lay (non-professional) Trustee.

Why do Trustees decide what happens to your money?

Whilst some pension benefits are prescribed by the Rules of the pension scheme, others are defined (for legal and tax reasons) as “discretionary benefits” and it is what happens to these discretionary benefits that the Trustees must decide.

Now, remembering that you don’t know the Trustees, bear in mind that they do not know you either. They are trained people trying to do the right thing, but they do not know your circumstances or what you would have wanted to happen to your money.

A discretionary benefit could be just a refund of pension contributions, or the remaining period of a pension payment guarantee, or it could be a very large, life-changing amount of money, such as a dependant non-spousal pension or a life assurance lump sum of several times a deceased member’s salary.

The Trustees have a legal duty to consider all the facts related to a deceased member’s circumstances and to determine what should happen with the discretionary part of a member’s benefits on his or her death. To do this, the Trustee must consider all relevant information about the member’s circumstances, domestic as well as financial, disregarding all irrelevant information and without undue delay. So how do they do that?

How do Trustees make their decisions?

On being informed of a member’s death, the Trustees’ Administrators will contact the informant and ask them to complete a simple form asking about the member’s circumstances and who should receive any discretionary benefits. They will also ask for certain legal documents, such as certificates of birth, death or marriages, and other legal documents, such as any Will or Grant of Probate. By the way, these originals will always be returned to the informant as quickly as possible.

Bearing in mind that the informant completing such a form is often likely to be a beneficiary, the Trustee will always try to establish other, independent, sources of information if possible, especially if the amount is large, by asking work colleagues, other family members, family doctors or lawyers or any other source that comes to light. The Trustees will then make a decision on what should happen to the discretionary benefit. Hopefully, they will have come to the decision which the member would have wanted.

How can you have your say?

There is one sure-fire, guaranteed way to help the Trustees come to the correct decision – if you, the member, tell them what you would like to happen to any discretionary benefits.

There is a form which is short and simple to complete, called the [Expression of Wish form](#). When completed it

is lodged with the Trustee’s Administrators. It is called “Expression of Wish” because the Trustees cannot be completely bound to do what the form says – if they were, the benefits would be taxable. But the Trustees will always be guided by what the member says on that form, especially if it was completed and signed by the member recently, such as within the last two years.

So, if you don’t want a bunch of strangers, however well-intentioned, deciding what to do with your money in the future, please [fill in that Expression of Wish form by clicking here](#) and send it to the Administrator – and do keep it updated every year or two.

Peter Langdon
Professional Independent Trustee

Who are the Trustees?

Your Trustees are Trustee Directors of Uniper UK Trustees Limited.

They are:



Matt Bayes
Chair of Trustees,
Company Nominated



Peter Langdon
Professional Independent
Trustee, Company
Nominated



Michael Spieler
Company Nominated



Gary Masters
Member Nominated



John Price
Member Nominated



Jas Sandhu
Member Nominated

Managing your pension easily online

You'll soon be able to access your personal pension account online.

We are making some significant improvements to the Uniper pension website and will be introducing a secure login area in the coming months. The new functionality will enable you to view and manage your own personal information held by RPMI on behalf of the Trustees.

You'll be able to register for access to your own personal account. Here, you'll be able to:

- View your pension benefit information
- complete or update your Expression of Wish form
- update your contact details
- access your personal pension documents

In the meantime, don't forget your website ukpensions.uniper.energy has lots of useful information about the Scheme, your benefits and your options!

Are your details up to date?

Have you moved house or changed your contact information?

If you have, please let us know, so we can continue to pay your pension, or get in touch with you when your benefits are due or even so we can send your newsletters like this! Remember, the Trustees no longer issue paper documents (unless legally required to do so) and will need a valid email address to be able to keep in touch with you.

If you change your bank or building society account, you must tell us about your new account details at least three weeks before your pension is due. If you can't give this much notice, you should keep your old bank account open to avoid any payment delays.

You should contact RPMI to update your information using the contact details below.



Some light relief

You should take your pension seriously – after all, it's going to look after you in later life! But here are a few retirement-related jokes and sayings to make you smile.

- Retirement is like coming home one day and telling your partner, "Honey, I'm home... for good!"
- The best part about retirement is that you don't have to worry about getting caught for doing nothing!
- Now Fridays aren't the best day of the week anymore... they all are!
- When is a retiree's bedtime? About 30 minutes after they fall asleep on the couch.
- I love being a grandparent in retirement. I give my grandkids a lot of sugar and then leave them with their parents to deal with them.
- Why don't retirees mind being called seniors? Because the term comes with a 10% discount.
- Just when you think you've got rid of the kids living in the house, your partner decides to retire.
- During your work life you pick up a lot of bad habits... like working.

Further information

If you need specific information about your pension, contact the pension scheme administrator:

RPMI, 2 Rye Hill Office Park, Birmingham Road,
Coventry CV5 9AB

Email: enquiries@rpmico.uk

Telephone: **0247 6472 544** (Mon-Fri 8am to 5pm)

If you have a question for the Trustees, please write to RPMI, or you can email Adrian Furnell, Secretary to the Trustees, at: adrian.furnell@uniper.energy.