

TrusteeNews 2024

The newsletter for
EPen members

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#YourPensionYourFuture



Message from your Trustee Chair

Catherine
Redmond



Welcome to the 2024 edition of TrusteeNews for members of the Endsleigh Insurance Services Limited Pension and Assurance Scheme (the "Scheme").

As you may know, the Scheme is subject to a formal valuation every three years and we are currently in the process of carrying out the valuation as at 31 December 2023. Valuations can take up to 15 months to complete and so we will send you an update on this next year.

From August 2024 there will be two vacancies on the Trustee board for member nominated trustee directors. More information about this role is available on **page 3**, please let us know if you are interested in getting involved.

This newsletter also includes a number of pensions news articles, covering topical issues and developments. As in previous years, we highlight the dangers of becoming a victim to pension scams. In order to combat the increasing sophistication of pension scams, the Government has introduced new rules, designed to protect you, should you be looking to transfer your pension to another pension arrangement. These new rules are summarised on **page 6**.

Please remember that there is a dedicated section on the ZPen website where you can get up-to-date information regarding the Scheme - **Endsleigh Insurance Services Limited Pension and Assurance Scheme (zpen.info)**.

I hope you find this newsletter interesting and, as ever, the Trustee is keen to hear your thoughts. If you have any comments or suggestions about what could be included in future communications, please get in touch using the contact details on **page 7**.

With very best wishes

**Catherine Redmond (representing BESTrustees Limited)
Trustee Chair**

Your Trustee board



Catherine
Redmond



Phil
Agg



Zoe
Fewell



Greg
Wenzel



Pete
Bishop

Changes to the Trustee board in 2024

Gil Okai resigned from his role as a member nominated trustee director with effect from 3 May 2024. We thank Gil for his service to the Scheme and his valuable contribution to the Trustee board.

Clive Gilchrist, who previously represented the professional independent trustee, BESTrustees Limited, on the Trustee board is retiring this year and from June 2024 BESTrustees Limited has been represented on the Trustee board by Clive's colleague, Catherine Redmond. We thank Clive for his service to the Scheme, and for his knowledgeable and professional approach to the role of Trustee board Chair.

Ever thought of becoming a Member Nominated Trustee Director?

We know that many of you are interested in how the Scheme is run and becoming a member nominated trustee director is a great way to be involved and do something for the benefit of current and former colleagues.

We are inviting nominations for two member nominated trustee director roles, as Gil Okai resigned from the Trustee board on 3 May 2024 and Pete Bishop's current term of office ends on 31 August 2024.

The role of a trustee director is interesting and rewarding and can provide a great opportunity for your personal development. If successful, you would be part of a board of 6 trustee directors overseeing the pension benefits for around 1,600 Scheme members and assets of more than £130m. You don't need to be a pensions expert; you'll get appropriate training and support to help you with the technical aspects. To be an effective trustee director you must be able to work as part of a team with each trustee director bringing their own skill set. You also need to be an effective communicator and that means both listening to sometimes complex discussions and making a positive contribution towards them.

The Trustee board normally meets at least three times a year to consider the effective running of the Scheme including making decisions on funding, investments, risk management and discretionary issues. Meeting papers are circulated in advance of each meeting and you will be required to read these before the meeting to ensure you are fully prepared.

The trustee directors represent all beneficiaries, not just their own 'constituency' or members with similar interests.

It doesn't matter whether you have deferred benefits or are already taking a pension, if you feel you can make a positive contribution we would really like to hear from you.

You can get an application form from Mike Jones (mike.jones9@uk.zurich.com) in the Zurich UK Pensions & Benefits team.

The closing date for completed applications is Friday 30 August 2024.

The current trustee directors are happy to share their experiences, if you would like to speak to one of them let Mike know and he can put you in touch.

All nominations will be considered by the Head of UK Pensions & Benefits and the Trustee Chair. If the number of candidates who would be suitable for the role is less than or equal to two (i.e. the number of member nominated trustee director vacancies), those individuals will be appointed to the Trustee board. If the number of candidates who would be suitable for the role is more than two, then a ballot of Scheme members will be held and the two candidates who receive the most votes will be appointed to the Trustee board.

We aim to have a diverse mix of directors that reflects our members and the communities in which we live and work. We value different opinions, respect personal needs, and provide equal opportunities for all



Susanna Morran
Scheme Actuary
Barnett Waddingham

Update on the EPensionBuilder funding level

Every three years the Trustee runs a formal valuation of the Scheme to check whether there is enough money to pay EPensionBuilder benefits as they fall due. The latest valuation is being carried out as at 31 December 2023, although the results won't be finalised until early next year and we will send you an update at that time.

Changes to the investment strategy

Global financial markets were highly volatile in September and October 2022. This instability was associated with the reaction to the UK government's mini-budget, as well as increasing concerns around the potential pace of monetary policy tightening in the US. The volatility had an impact on UK pension schemes with liability driven investment (LDI) portfolios.

This meant that going forward the Scheme was required to invest more assets into the LDI funds to maintain the same level of hedging (i.e. the level of protection from changes to interest rates and inflation).

In light of these changes to the LDI allocation, the Trustee agreed an investment strategy change for the Scheme at the end of 2022. The agreed changes are summarised below:

- Maintain current hedging levels by increasing the allocation to LDI assets and reducing allocations to equity and credit.
- Reduce the current home bias in equity allocation
- Include BBB credit to the investment universe and move from passive credit portfolio management to active management.

Implementation of the changes began in Q2 2023 and completed in Q1 2024. A copy of the Scheme's Statement of Investment Principles is available on the Scheme website.



Pensions Tax Changes

Lifetime Allowance

The Lifetime Allowance was the limit on how much you could build up in a pension over your lifetime while still enjoying the full tax benefits. For most people this was £1,073,100 in the 2023/24 tax year.

From 6 April 2024, the government abolished the Lifetime Allowance and replaced it with two new limits, the Lump Sum Allowance (LSA) and the Lump Sum and Death Benefits Allowance (LSDBA).

Broadly speaking, the amount that can be taken in the form of a tax-free cash lump sum at retirement will be capped by the new LSA at £268,275. Any death benefit lump sums or serious ill health lump sums payable tax-free will be capped by the new LSDBA at £1,073,100.

If you currently have any HMRC pension protection in place (e.g. relating to previous reductions to the Lifetime Allowance), it is important to keep hold of any documents confirming this protection.

Annual Allowance

The Annual Allowance is the limit on the total amount that can be contributed to or built up in a pension each tax year with tax relief applying. From 6 April 2023 the Annual Allowance increased from £40,000 to £60,000.

For those high earners who are affected by the Tapered Annual Allowance, the adjusted income limit and the minimum tapered annual allowance have increased.

Money Purchase Annual Allowance

If you have taken certain benefits from a Defined Contribution pension arrangement, the Annual Allowance above does not apply to you. Instead, the limit on the total amount that can be contributed to a pension is the Money Purchase Annual Allowance which is £10,000.

Consider taking financial advice

The taxation of pensions is complicated and if you think you may be affected by any of the pension tax limits, you are strongly recommended to seek help from a suitably qualified financial adviser. You can find general advice about pensions and appointing an Independent Financial Advisor at the websites below:

Money Helper – www.moneyhelper.org.uk – 0800 0113797

Financial Conduct Authority – www.fca.org.uk

Vouched For – www.vouchedfor.co.uk – 0203 111 0583.

Please note that this article was written prior to the UK General Election 2024 and pension tax limits/rules may be amended by a subsequent government.

Don't forget you can transfer ECashBuilder benefits back into the Scheme

For those members who had ECashBuilder benefits in addition to EPensionBuilder benefits in the Scheme, the Trustee has arranged a 'transfer back' facility for members.

This applies to:

- Funds that were transferred from ECashBuilder to the Aegon Master Trust (including investment returns)
- Benefits built up in the Endsleigh Flexible Retirement Plan with Aviva following the sale of Endsleigh to APlan

This means that when you choose to take your benefits, the funds you 'transfer back' into the Scheme can be used to provide some, or all, of your tax-free cash lump sum.

Please note that you will only be able to make the transfer back to the Scheme at the point you are taking your retirement benefits from EPensionBuilder.

Thinking of transferring out?

If you are thinking of transferring your benefits out of the Scheme please be aware that because of new regulations brought in to help combat pension scams, the time it takes to process a transfer has increased – **it can now take up to 6 months to transfer.**

Remember, if you wish to transfer out your final salary (EPensionBuilder) benefits you will need to seek independent financial advice. You can find a suitably qualified independent financial advisor by visiting one of the following websites:

- www.vouchedfor.co.uk
- www.moneyadvice.service.org.uk

Beware of Pension Scams

Don't let a scammer enjoy your pension – If you are not sure about something, take your time and seek help

Pension scams are on the rise and it's more important than ever that you know the warning signs of a scam. Below are some of the things to look out for:

- Cold calling or unexpected contact
- Free pensions review
- Guarantees of better returns on pension savings
- Early access to your pension
- Promises of limited time offers on the 'best deal'

If you're suspicious, contact Action Fraud at actionfraud.police.uk or call **0300 123 2040**.

Also, beware of scams to your bank. Stop Scams UK have launched a service to enable you to easily report a suspected bank scam. If you receive a call from a suspected scammer, who claims to be calling from your bank all you need to do is:

STOP

HANG UP

CALL 159

The 159 service works much the same way as the 101 service for the police or 111 for the NHS and will link you through directly to someone at each bank that has signed up to the service. You can then report the suspected scammer. For more information on this service, visit the **Stop Scam UK website** at www.stopscamsuk.org.uk.

Changes in your personal circumstances

So that we can keep in touch with you and have up to date information on any changes in your personal circumstances, please do let us know about any changes to your name, address or marital status by contacting us using the contact details below. You should also ensure your Expression of Wish form is up to date to help the Trustee decide how to pay any benefits that may be due in the event of your death.

Minimum retirement age increasing to 57 from 6 April 2028

From 6 April 2028 the minimum age you can generally access your pension savings will increase from age 55 to age 57. In exceptional cases, some people may have an existing right under their scheme rules to access their benefits before age 57. This right is referred to as a protected pension age and your Scheme administrator should be able to confirm if this applies to you.

Scheme Information

- Annual report & accounts
- Valuation report
- Member's booklet
- Statement of investment and funding principles
- Annual actuarial report
- Recovery plan
- Trustee dispute procedure

If you would like a copy of any of the above please contact zpenteam@uk.zurich.com.

How to contact us:

EPensionBuilder queries:

Deferred members - zpenteam@uk.zurich.com

Pensioners - zurichteam@railpen.com

Telephone: 0800 232 1915

You should consider taking independent advice on your options in relation to your benefits in the Scheme. Neither the Scheme Trustee nor any member of the Zurich Group (i.e. Zurich Insurance Group Ltd (registered in Switzerland with number CH-020.3.023.086-6) and its direct subsidiaries) are able to provide you with financial advice or accept any liability for any decision you make with regard to your retirement options.

This newsletter includes information about the Scheme but your Scheme benefits will be determined by the Rules of the Scheme as amended from time to time (the "Rules"). If there is any conflict between the information in this newsletter and the Rules, the Rules will be overriding and determine the benefits you receive.