

# TrusteeNews 2024

ZCashBuilder-Only  
Members Edition

What's inside:

ZCashBuilder Investment Changes

NEW 'At Retirement' Support

Trustee Board Update

Responsible Investment Update

If you need a copy of this newsletter in large print or braille, please contact us using the details on the back page.

ZCashBuilder

#YourPensionYourFuture

# Message from your Trustee Chair



David Sims  
Trustee Chair

Welcome to the 2024 edition of TrusteeNews which I hope will keep you up to date with the key developments over the past year and help your understanding of the pension scheme and the role of the Trustee.

We have a responsibility to regularly review the investment options within ZCashBuilder and a review was carried out in 2023. This review included a focus on responsible investment matters, including Environmental, Social and Governance (ESG) factors and climate change, and how best to incorporate these into the ZCashBuilder investment funds, in particular the Drawdown Lifestyle which is the default option if you haven't made an investment choice. These changes will affect most people in ZCashBuilder and you should have been notified that these changes are happening and that more information is available on the Scheme website.

Whilst investments are an important part of ZCashBuilder so is deciding how to use your ZCashBuilder funds at retirement. We are aware that this can be a difficult decision for many and during 2023 we appointed WTW to provide you with support in the run up to retirement including individual guidance sessions and access to LifeSight, a master trust, as an option for those wanting to use drawdown in retirement.

In January 2024, we also published our latest report on how we identify and manage climate-related risks and opportunities in response to the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations.

You can read further detail on all these topics in this newsletter.

I hope you enjoy reading this edition of TrusteeNews and make a habit of visiting [www.zpen.info](http://www.zpen.info) regularly to keep up to date with the latest information about the Scheme.

David Sims

Trustee Chair

## Contents

Trustee Board Changes	Page 3	ZPen – Supporting you at retirement (NEW in 2023)	Page 7
Annual Report and Financial Statements	Page 3	Updates to ZCashBuilder Planner	Page 8
Spring Budget 2023	Page 4	Mid Life MOT	Page 8
Responsible Investment – TCFD Report	Page 4	Pension Awareness Week	Page 8
Responsible Investment – Stewardship (ZCashBuilder)	Page 5	Beware of Pension Scams	Page 8
ZCashBuilder Investment Changes	Page 5	Make sure your nominations are up-to-date	Page 9
Value For Members (VFM) Statement	Page 6	Here to Help	Page 9

## Your Trustee Board

The Scheme is managed by a Trustee Company called Zurich Financial Services UK Pension Trustee Limited (the "Trustee"), which has a duty to run the Scheme in line with its trust deed and rules and pensions legislation. The Trustee Board is made up of ten directors, sometimes referred to as Trustee directors or trustees, and includes a mix of company-nominated directors, member-nominated directors and an independent director. The Trustee Board is also supported by Zurich's in-house pensions team and a range of professional advisers.

### What does the Trustee do?

As the Trustee of a Scheme with both final salary and defined contribution benefits, the Trustee is responsible for ensuring there is enough money in the Scheme to pay members' final salary pensions, as and when they need to be paid, and supporting members with defined contribution benefits make informed decisions about the way they save and what they do with their pension savings when they take their benefits. The Trustee also oversees the running of the Scheme, including the governance and administration.

### Changes to your Trustee Board

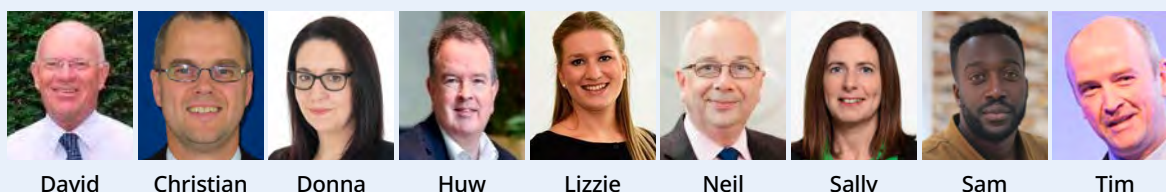
The Trustee board is made up of the following:

- Five company-nominated Trustee directors ("CND")
- Four member-nominated Trustee directors ("MND")
- One independent Trustee director

The Trustee has a formal process for the nomination and selection of MNDs. Each MND is typically in place for a three year term and in August 2023 the term for two MNDs expired. Following a successful nomination and selection process Donna Wayman was appointed as a new MND, replacing Paul Keaveney who stepped down at the end of his term. Tim Culling was also re-appointed for a further term. The Trustee can appoint reserve member Trustee directors ("RMDs") who could be appointed as an MND if one of the current MNDs leaves mid-term. The current RMDs are Rod McKie and Anand Panchmatia.

In March 2024, Liz Ryan stepped down as a CND and the Company is considering a replacement for Liz.

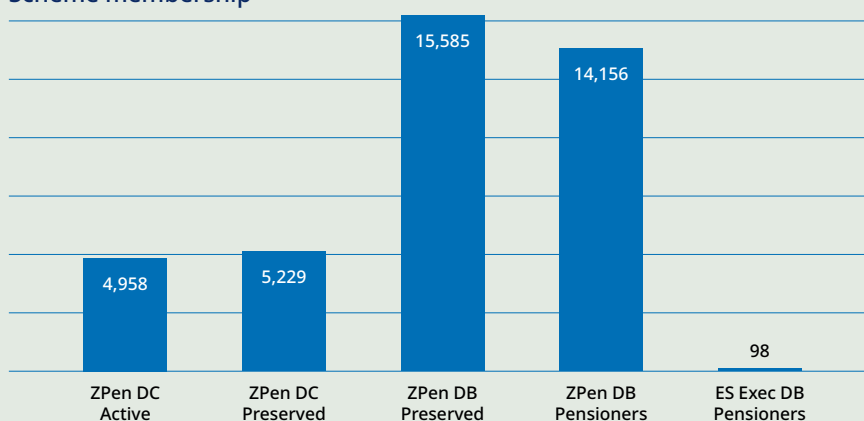
You can find more information about the Trustee directors on the Scheme website **Your Trustees (zpen.info)**.



## Annual Report and Financial Statements

The annual report and financial statements for the Scheme describes how the Trustee has managed the Scheme and any changes which have happened in the period. The period is for the twelve months to 30 June 2023 and you can read the full report on the Scheme website – **Report & accounts (zpen.info)**. You may be interested to know that the Scheme has final salary assets totalling £5.7bn, ZCashBuilder and other DC assets totalling £518.8m, and paid out benefits to members and beneficiaries totalling £221.4m in the period.

### Scheme membership



Included within the ZPen DC Active members are 1,041 members who transferred from ZPen DB into ZPen DC on 1 January 2016 and have retained a link to final pensionable salary on their DB benefits.

## Spring Budget 2023

### Lifetime Allowance

The Lifetime Allowance is the limit on how much you can build up in a pension over your lifetime while still enjoying the full tax benefits. For most people this is £1,073,100 in the 2023/24 tax year. In previous tax years, you would have paid a Lifetime Allowance charge on any benefits you took over this amount. However, from 6 April 2023 this charge was removed and any benefits you take in excess of the Lifetime Allowance are subject to income tax at your marginal rate.

From 6 April 2024, the government is abolishing the Lifetime Allowance, however, the amount that can be taken in the form of a tax-free cash lump sum will be capped at £268,275.

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. Further information on these limits can be found on the Scheme website using the following link: **Pension Tax Limits**

### 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](http://www.moneyhelper.org.uk) –  
**0800 0113797**

Financial Conduct Authority – [www.fca.org.uk](http://www.fca.org.uk)

Vouched For – [www.vouchedfor.co.uk](http://www.vouchedfor.co.uk) –  
**0203 111 0583**

## Responsible Investment – TCFD Report

From 1 October 2021, new regulations were introduced relating to reporting in line with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, which aim to promote the management of climate-related financial risk and opportunities.

The Scheme's annual TCFD report provides an overview of the Trustee's responsible investment activities during the year with the three key activities being:

- **Climate risk assessment** – the assessment for the Scheme's assets and liabilities highlights the potential impacts of climate change on the Scheme's financial performance. The assessment considers both physical risks, such as extreme weather events and rising sea levels, and transition risks, such as policy changes and technological advances.
- **Target setting and implementation** – the Trustee set a net zero ambition for 2050, which means it aims to hold investment assets that achieve a balance between the greenhouse gas emissions it produces and removes from the atmosphere that year. This target aligns with the global goal of a maximum temperature rise of 1.5°C above pre-industrial temperatures, taking into account the best available scientific knowledge. The Trustee continues to monitor its asset managers on the agreed short-term carbon reduction targets for its equities and corporate bond portfolios.
- **Manager engagement** – the Trustee recognises the importance of engaging with its asset managers to address climate-related risks and opportunities. The engagement is aimed at ensuring that the Scheme's investments are aligned with its climate-related objectives and that asset managers are effectively managing climate-related risks and opportunities.

The full report is available to read on the Scheme website – **TCFD Report 2023.pdf (zpen.info)**.

## Responsible Investment - Stewardship (ZCashBuilder)

### Responsible investing: Stewardship

Stewardship can be defined as “taking care of something” and in relation to taking care of your investments this can include engaging with the companies in which you are invested and voting at shareholder meetings. The Trustee has set the following priorities for stewardship of the ZCashBuilder assets:

- Climate change: this relates to the Trustee’s belief that climate change is a source of financial risk that could have a material impact on member outcomes over the short, medium and long term as a result of the impact on the physical and transition risk on markets and therefore investors.
- Equality, Diversity and Inclusion: this relates to the Trustee’s belief that companies that are diverse and inclusive deliver better financial performance due to their ability to make better decisions, identify risks and opportunities more effectively and their ability to appeal to a wider customer base.
- Corporate Transparency: this relates to how much a company provides open and accessible information about its activities and decision making process to its stakeholders, including shareholders, employees, customers, suppliers and the wider community.

The Trustee receives information from fund managers on how they engage with companies and on what issues and how they voted at shareholder meetings. Legal and General Investment Manager (LGIM) manages over £400m of ZCashBuilder assets and the stewardship and engagement activities it undertook for the year ending 30 June 2023 were largely in line with the stewardship priorities listed above.

## ZCashBuilder Investment Changes

Following the Trustee’s triennial review of the ZCashBuilder investment choices, there will be some changes to the ZCashBuilder investments. These changes:

- will affect you if you are invested in any of the three lifestyle strategies (Drawdown, Cash and Annuity) or if you have chosen Z Growth Fund or Z Cautious Growth fund from the self-select fund range. This means that the majority of ZCashBuilder members will be affected.
- are expected to take place during May.

These changes will be happening automatically so you don’t have to do anything, but you can read further detail about the changes, including how they may affect you on the Scheme website [www.zpen.info](http://www.zpen.info).

- If you want to know whether you are affected by the changes, you can check where you are invested by logging into the Scheme website.
- If you want to make an investment switch before the ZCashBuilder changes take place this needs to be requested online by **Friday 19th April**.

## Value For Members (VFM) Statement

Each year the Trustee is required to assess the extent to which the charges you pay in ZCashBuilder and the legacy AVC arrangements represent good value for money. The Pensions Regulator has no set definition of good value but the Trustee considers the combination of costs and the quality of what is provided in return for those costs, and whether these are appropriate for the Scheme membership as a whole. The assessment is then reviewed by the Trustee's advisers, who have knowledge and experience of a wide range of schemes. For the year to 30 June 2023, the Trustee's advisers believe that the balance of services provided to you relative to the costs you pay mean you received good value for money. There were a number of reasons for this including:

- Good Scheme governance with a strong Trustee board, the support of a professional in-house pensions team and a DC Committee focussed on ZCashBuilder.
- A Scheme website with modelling tools, Newsflashes, Hot Topics and other information. Webinars run by the in-house pensions team include new joiner and pre-retirement courses alongside investment for beginners and responsible investment.
- ZCashBuilder administration services that have continued to perform well against agreed targets with core financial transactions\* taking place accurately and promptly. (\*core financial transactions include investing monthly contributions, disinvestment to pay out benefits and investment switches).

Taking account of all the factors considered, the Trustee believes that the Scheme's DC arrangements continue to provide good value for members and are expected to deliver good outcomes for members at retirement. The Trustee continues to look for ways to improve the value for members including planning a suite of communication materials and developing a new Scheme website.

## ZPen – Supporting you at retirement (NEW in 2023)



We know that for many of you retirement is years away but for those of you who are a bit closer to retirement trying to understand all of your options and decide how to use your ZCashBuilder benefits can be confusing. For that reason, the Trustee has appointed WTW's Financial Planning Group, a group of financial advisers regulated by the Financial Conduct Authority (FCA), who can help you understand your options and decide which one is right for you.

WTW are an FCA-registered financial adviser, who can provide you with tailored, impartial financial guidance on your Scheme savings. WTW understand how the Scheme works and so can explain your retirement options and help you with your decision.

There is more information available on the Scheme website under the Support Tab (no need to log in) on the following:

- the options available to you and some of the things you might need to think about as you approach retirement (**Retiring (zpen.info)**).
- the individual guidance sessions offered by WTW. These can cover all your retirement benefits, not just final salary or ZCashBuilder. They will help you understand all the options available to you and the most suitable option for you. This is not financial advice and the adviser will not make a specific recommendation to you (**WTW Pension Guidance (zpen.info)**). The cost of receiving guidance in respect of your Scheme savings is £500 inclusive of VAT.
- Access to the LifeSight master trust for those who want to drawdown their ZCashBuilder benefits over a number of years.

You can arrange an appointment with WTW by calling them on **0800 901 2540** (lines are open 8am – 5pm, Monday to Friday) or by emailing [zurichguidance@wtwco.com](mailto:zurichguidance@wtwco.com).

## Updates to ZCashBuilder Planner

The ZCashBuilder planner is available on the website and provides an illustration of what your fund value might be in the future and what likely pension this could provide. The planner is just a projection tool and various assumptions are made to do these calculations. It is not an exact science and the figures quoted are not a guarantee but they could help you with your retirement planning, for example, you can use the planner to see how your projected fund value and pension might change if:

- you change your planned retirement age
- you change your contributions (if you are still employed by Zurich)
- you choose to take some of your fund as tax free cash

If you regularly use the planner you may have noticed that your projected fund value has changed. The planner which projects your fund value at retirement takes account of a number of factors including investment returns, contributions, salary increases and inflation. The underlying calculation methodology and the investment returns assumptions have to comply with requirements set out by the Financial Reporting Council in their Actuarial Standards Technical Memorandum, and new requirements came into force on 1 October 2023.

You can find out more information, including some of the assumptions made, by logging into the site, and clicking on ZCashBuilder planner.

## Mid Life MOT

The Department of Work and Pensions has launched a new website to support people aged 45-65 with planning for their future.

The site includes useful tools and guidance around the key areas that people aged 45-65 should be considering, including work, health and money.

**Visit the website today** to make sure you're prepared for later life.

## Pension Awareness Week

Every September, Pension Awareness Week helps to raise awareness of the importance of pensions for people across the UK.

In 2023, Pension Awareness Week took place from 11 to 15 September and included a range of 'live shows' covering a broad range of subjects relating to pensions. You can view a recording of these external shows by visiting the Pension Awareness website – [pensionawarenessday.com](https://pensionawarenessday.com).

During Pension Awareness Week, the ZPen team also ran a series of online sessions covering the flexibility around taking benefits, saving in the early years and pension considerations in a cost of living crisis.

## 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](https://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 Scams UK website**



## Make sure your nominations are up-to-date



Nominating beneficiaries is one of the most important things you can do to ensure that you and those closest to you get the most out of your pension.

No one enjoys thinking about death, but by making a nomination, this will let the Trustee know who you'd like any lump sum death benefit to be paid to. This could potentially help speed up the decision-making process, and spare extra stress and financial hardship for those you care about when you die.

### Who can I nominate?

A nominee can be any person e.g. a family member or friend, or a charity, society, association or company. You can also nominate more than one nominee.

### How do I make a nomination?

Nominating is easy. Simply log in to your ZPen account ([www.zpen.info](http://www.zpen.info)), select 'Account details' and then 'Lump Sum Nomination Form' and follow the steps.

## Here to Help

### Ways to contact us:

ZCashBuilder Team  
Railpen  
PO Box 377  
Darlington  
DL3 6XY



Email: [zcashbuilderteam@railpen.com](mailto:zcashbuilderteam@railpen.com)

Tel: 0800 232 1915 – choose option 2

You should consider taking independent advice on your options in relation to your benefits under the Scheme. Neither the Scheme Trustee (Zurich Financial Services UK Pension Trustee Limited) 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.