

PENSION NEWS

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WELCOME

Welcome to the latest issue of *Pension News*, the newsletter for members of the Defined Contribution (DC) Section of the NFU Mutual Retirement Benefit Scheme.

I wrote to you last summer to let you know that the change in Scheme administrator was imminent. I am pleased to say that the transition from Mercer to Trafalgar House in July has now completed, and everyone should have received a welcome pack from Trafalgar House with details of how to get in touch and also register for their member self-service website, My Work Pension. We have a reminder on pages 4 and 5 of the types of information you can access through My Work Pension.

One consequence of the extended period of lockdown seems to have been that scammers have been even busier trying to fool people into unwise changes to their pension arrangements. Remember, pensions cold-calling is now illegal, so if anyone contacts you out of the blue to talk about your pension it's likely to be a scam – so just hang up.

One of the best ways to catch up with the latest Scheme news is online, via our brand-new Scheme website. The new site recently went live and has loads of information to help you understand your pension and what your options are. Check it out at www.nfumstaffpensions.co.uk or find out more on page 6.

Institutional investors such as pension scheme trustees have been at the forefront of responsible investment, and this is now being reinforced by recent legislation, with extra duties around disclosure and reporting. With our DC adviser, Hymans Robertson, we are focusing more on ensuring that the funds we offer our DC members are invested in a socially and environmentally sound way. You can find out more on page 10.

Finally, it only remains for me and my fellow Trustee Directors to wish you and your families well in these uncertain times.

Brian Duffin OBE FFA
Trustee Chair



AT A GLANCE

77.5%

The percentage of members using the Default Investment Option.

£25.2 million

The value of contributions paid into the DC Section in 2020

6,399

The number of members in the DC Section

11

The number of investment funds that DC members can choose from

AN UPDATE FROM TRAFALGAR HOUSE



As you are aware, we took over the administration of the Scheme from Mercer in July 2021.

A project like this can be complex and takes time to do properly. Transferring the Scheme data needs to be carefully managed, alongside capturing all of the Scheme knowledge built up by Mercer over many years. We are pleased to report that the move has now completed and all data and knowledge have been transferred successfully.

By the time you read this newsletter, you will have information on how to get access to our secure member website, My Work Pension (www.myworkpension.co.uk). We would encourage you to register straightaway as the site gives you important information about your pension, including your annual benefit statement, and makes it easier for you to manage your data.

NEW TOOL TO HELP PLAN YOUR RETIREMENT

The DC Retirement Planner is now available on My Work Pension.

The Planner is designed to help you see what kind of income you could expect from your pension. These estimates are based on your current contributions and retirement date. You can then use the Planner to see how your pension income might change if you were to pay in more (or less) or alter when you plan to retire.

GETTING ONLINE

All you need to register for My Work Pension is your membership reference number - this can be found on any personal information you've received from Trafalgar House (e.g. your welcome letter or a retirement quotation). You will then need to enter some personal information as a security check. If this matches our records, your account will be activated.

Here's what you can do once you've logged into My Work Pension:

- Access calculators and tools that allow you to see what your pension could be at retirement
- Review and update your investment choices
- Review and update your selected retirement age
- Manage and update your personal details
- Update your nominations, letting the Trustee know your wishes in respect of any benefits payable from the Scheme on your death

If you have problems registering, then please contact us using the contact details on the back cover or you can log this using the 'contact us' option at www.myworkpension.co.uk/contactus. There is more support available online at www.myworkpension.co.uk/FAQs

INVESTOR IN CUSTOMERS

Trafalgar House was recently awarded the Investor in Customers Gold 2021 for customer service for the fourth year running. The feedback we gather from members, trustees and clients all counts towards our overall rating, so please do let us know how we're doing.



SCHEME NOTICEBOARD

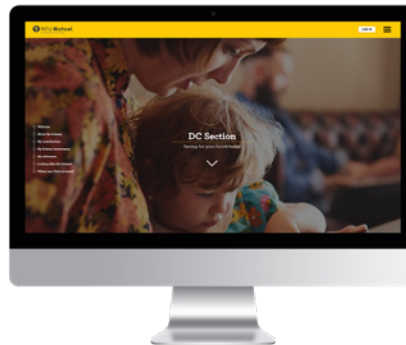
OUR NEW SCHEME WEBSITE

After months of planning, designing, building and testing, the new-look Scheme website at www.nfumstaffpensions.co.uk is now available to members. The website is your main information point for everything to do with your membership of the Scheme:

- Get the latest news updates from the Scheme
- Find out more about your benefits and options at retirement
- Use the cost calculator to see how little it could cost you to increase your contribution rate
- Learn about your investments, with detailed fund factsheets available on the site
- Find answers to frequently asked questions
- Log into My Work Pension, the new member self-service website provided by Trafalgar House
- Get in touch with Trafalgar House using the online contact form.

You don't need special login details to visit the site – all the important Scheme information is available to view to all members. However, we have set up a separate area of the site for DC Section members to make it easier to find the information that's most relevant to you.

Take a look and let us know what you think. We value your feedback.



FACTS & FIGURES

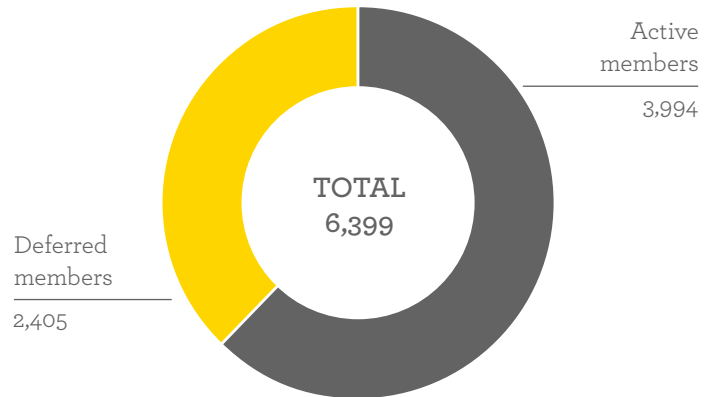
The information on these pages is a summary taken from the Trustee's Report & Accounts for the year to 31 December 2020, which have been audited by PricewaterhouseCoopers LLP.

On 1 January 2020, the DC Section was worth	£182.9 million
Money in	£26.4 million
Money out	(£5.4 million)
Change in the value of our investments	£5 million
On 31 December 2020, the DC Section was worth	£208.9 million



MEMBERSHIP

The chart shows the membership profile of the DC Section as at 31 December 2020. There are no pensioners in the DC Section because you use your savings at retirement to provide an income in the way that suits you, outside of the Scheme.



INVESTMENTS

COMING SOON – CHANGE TO DC DEFAULT AND LIFESTYLE STRATEGIES

The Trustee has agreed to make some changes to the default and lifestyle investment strategies. We will be writing to you in the next few months to set out the changes and timescales.



2021 BENEFIT STATEMENTS

The Scheme's annual benefit statements for 2020/2021 are available online at My Work Pension, showing how much your personal account was worth at the end of the year. We won't be sending out paper copies, so if you haven't registered for My Work Pension turn to page 4 for details on how to get online.

On the subject of benefit statements, the Government is proposing that pension savers should receive a simple two-page statement in future, giving just the key information they need in plain English. The details are still being ironed out, but of course we'll support any changes that help you better understand your DC Section pension.



RESPONSIBLE INVESTMENT

You may have seen recent news reports about the role of pension schemes in addressing climate-change risks and ensuring that their vast assets are invested in a way that takes account of environmental, social and governance (ESG) issues.

ESG investments are those that aim to achieve growth while also having a positive impact on the environment, society or on the performance of a business.

In the next few years, new reporting requirements will be introduced for all pension schemes on climate-related financial information. This includes the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world.

The Trustee believes that ESG issues can, along with other factors, have a material impact on the long-term performance from the Scheme's investments. For example, companies that demonstrate better ESG characteristics are expected to outperform other companies, over the longer term.

The Scheme's investment managers across all asset classes are required to take ESG factors, including climate change, into account when making investment decisions.

Recent legislation requires the Trustee to make an annual 'Implementation Statement' available to our members on a public website. This statement aims to show how the Trustee has discharged its investment responsibilities. The DC Implementation Statement is published on the Scheme website as part of the Trustee's Report & Accounts, alongside the DC Statement of Investment Principles, which sets out the Trustee's investment strategy: www.nfumstaffpensions.co.uk





PENSIONS NEWS

PLANNING AHEAD – MINIMUM PENSION AGE TO CHANGE

The State pension age is rising to age 67 in 2028, with a further increase planned to age 68 between 2037 and 2039. Corresponding with this rise is an increase to the minimum age at which you can start taking benefits from a workplace or personal pension, which will rise from age 55 to age 57 in 2028. The minimum pension age tracks the State pension age at 10 years younger. This may affect you if you plan to retire early.

PLSA UPDATES RETIREMENT LIVING STANDARDS

As reported in our 2020 newsletter, the Pensions and Lifetime Savings Association (PLSA) launched ‘Retirement Living Standards’ two years ago to help people understand how much they need to save into a pension to achieve different living standards – minimum, moderate or comfortable. The PLSA recently published updated figures, to ensure they remain in line with changes in spending habits and price increases. For a single person the minimum target is now £10,900 (an increase of £700), £20,800 (moderate) and £33,600 (comfortable). Find out more at www.retirementlivingstandards.org.uk

A FREEZE ON THE LIFETIME ALLOWANCE

The Lifetime Allowance (LTA), which is the maximum amount of pension savings you can have at retirement from all pension schemes without incurring an additional tax charge, has been frozen at £1,073,100 for the next five years. Since 2017, the LTA has been increasing in line with inflation, but it will now remain fixed until 2026.

NEW TRANSFER REGULATIONS

From 30 November 2021, there are new checks that trustees and scheme managers must carry out before allowing a member to transfer their pension in order to help protect members against pension scams. Part of these checks will include looking for certain red and amber flags. If any red flags are identified a transfer will not be allowed to proceed. If an amber flag is identified then members must obtain guidance from MoneyHelper before the transfer may proceed. As a result of these additional checks, it may take longer than usual for your transfer to be processed, and you may be advised you need to book an appointment with MoneyHelper before we can approve the transfer.

BREAKING UP IS HARD TO DO

One of the consequences of 18 months of lockdown has been a rise in the number of couples applying for divorce. The Pensions Action Group has produced a useful guide to pensions on divorce to help individuals and their advisers understand the key points surrounding this often-forgotten asset. It is available online at www.advicenow.org.uk/guides/survival-guide-pensions-divorce

FIND YOUR OLD PENSIONS BEFORE THEY'RE GIVEN AWAY

A new Bill to expand the Dormant Assets Scheme to include pensions, insurance and investment assets has been introduced in the House of Lords, the first step in the process of making it law. The Dormant Assets Scheme currently redistributes money from dormant bank and building society accounts to social and environmental initiatives across the UK, in cases where the provider has been unable to contact the owner and the assets have lain unused for 15 years. The proposed expansion serves as a useful reminder to pension savers to track down any old pensions they may have. The Government has a free pension tracing service that helps people find their lost pensions. You can contact them by freephone number 0800 731 0193, or via the website: www.gov.uk/find-pension-contact-details

A NEW PENSION INFORMATION SERVICE

MoneyHelper is an easy way to get free, trusted help for your money and pension choices. The services previously provided by the Money Advice Service, the Pensions Advisory Service and Pension Wise all come under MoneyHelper, bringing everything together in one place.

Offering free, impartial help that's quick to find and easy to use, MoneyHelper is available online or over the phone, providing clear money and pensions guidance, as well as pointers to trusted services, if you need more support. It helps people to clear their debts, reduce spending and make the most of their income to build up savings and pensions and know their options. Go to www.moneyhelper.org.uk

RUNNING THE SCHEME

The Scheme is run by a corporate Trustee called NFUM Pension Trustee Company Limited. It has five Trustee Directors: three appointed by the Company and two nominated by the members of the Scheme.

COMPANY APPOINTED

Brian Duffin (Chair)
Kenny Graves
Jonathan Priestley

MEMBER NOMINATED

Kevin Davies
Andrew Spriggs

For more information about the Scheme, please see our website at www.nfumstaffpensions.co.uk where you can also find a copy of our Privacy Statement.

ADVISERS TO THE TRUSTEE

The Trustee has appointed the following specialist advisers to help run the Scheme's DC Section.

Auditor

PricewaterhouseCoopers LLP

Administrator

Trafalgar House Pensions Administration

DC consultant

Hymans Robertson LLP

Investment managers

NFU Mutual Insurance Society Ltd
Legal & General Assurance (Pensions Management) Ltd

Legal adviser

Gowling WLG LLP

Bankers

Barclays Bank plc
Royal Bank of Scotland plc
Lloyds plc

BEWARE OF PENSION SCAMS

In these challenging times, we'd like to remind members to stay alert to the danger of scams of all types. Action Fraud estimates that £2 million was lost to pension scammers in the first three months of 2021.

If you're facing financial difficulties because of the pandemic, you may be tempted by offers to transfer your pension into 'guaranteed' or 'high-return' investment opportunities. In many cases, the money will be stolen outright. And, if you try to access your pension before age 55 (unless you are terminally ill), you will face a huge tax bill on top of that!

The tax charge for an unauthorised pension payment is 55% – that's more than half of your savings – and unfortunately many people find out too late they cannot afford to pay it.

Example:

- Ben is 48 and has £100,000 saved up in his personal account.
- He's targeted by scammers promising guaranteed high investment returns and agrees to transfer his money to them.
- He receives a lump sum of £25,000.
- The remaining £75,000 is transferred to an unregulated financial product overseas where it 'disappears'.
- Ben gets a tax bill from HMRC for £55,000.

If you're considering a transfer, please be very careful and take independent financial advice about your options. You can find out more about pension scams and how to avoid them from the FCA's website at www.fca.org.uk/scamsmart or visit www.pension-scams.com

PLEDGE TO COMBAT PENSION SCAMS

In 2021, the Pensions Regulator launched a campaign to encourage trustees, pension providers and administrators to pledge to combat pension scams to help to protect scheme members. I am pleased to confirm that both the Trustee and Trafalgar House have made the pledge and self-certified that we have taken action to combat pension scams and protect our members.



We self-certify that we follow the principles of the pledge to combat pension scams

KEEPING IN TOUCH

If you have any questions about your pension in the Scheme, please contact the Scheme administrator, Trafalgar House.



Call us:

0203 386 5703



Email us:

nfumutual@thpa.co.uk



Write to us:

NFU Mutual Retirement Benefit Scheme
Trafalgar House
PO Box 119
Blyth
NE24 9EN

SCHEME SECRETARY

If you have any concerns that cannot be dealt with by Trafalgar House, or if you would like to give us your comments or suggestions on this newsletter, please contact the Scheme Secretary, Jackie Baker.

Email: RBS@nfumutual.co.uk

Secretary to the Trustee
NFU Mutual Retirement Benefit Scheme
Tiddington Road
Stratford-upon-Avon
CV37 7BJ

ACCESSIBILITY

If you would like to receive this and future newsletters in large-print format, audio or braille, please contact the Scheme Secretary.