

# PENSION NEWS

## WHAT'S INSIDE?

Welcome	2
Scheme noticeboard	4
Pension news	8
Facts & figures	11
Spotlight on investments	12
Running the Scheme	14
Keeping in touch	16



# 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.

## Changes to the Trustee Board

Since our last newsletter, there have been some changes to the Trustee Board. Brian Duffin, our former Chair, stood down from the Trustee Board on 31 July 2023. I have been appointed as Trustee Chair with effect from 1 July 2023 (after joining the Trustee Board in November 2022).

I would also like to welcome Dan Bailey to the Trustee Board, who replaced Kenny Graves as a Company Appointed Trustee Director on 1 July 2023. You can read more about these changes on page 15.

I would like to take this opportunity to thank Brian and Kenny for their hard work during their time on the Trustee Board.

## Keeping you up to date

Knowing that your pension savings are being looked after will be important to you. As a Trustee Board, we want to ensure

that we provide you with all the information you need, when you need it. One way is through this newsletter, but we have also set up a dedicated pensions website for the Scheme so that we can quickly update you on the latest developments.

This can be accessed via: **[www.nfumstaffpensions.co.uk](http://www.nfumstaffpensions.co.uk)**

Our third-party administrator, Trafalgar House, provides you with access to their member self-service website, My Work Pension, to track your individual retirement savings in the Scheme.

My Work Pension can be used to check your fund value, change your investment choices, update your beneficiary details and much more. It can be accessed via:

**[www.myworkpension.co.uk](http://www.myworkpension.co.uk)**

If you haven't already registered for access to My Work Pension, then I would encourage you to do so.

I hope the information provided in this newsletter helps you understand how the Scheme is managed on your behalf. If you have any questions or would like further information, please contact Trafalgar House (contact details can be found on the back page).

**John Deane FIA**  
Chair



## At a glance

**40%**

The percentage of members who have registered for My Work Pension, our member self-service website.

**2,449**

The number of members who are taking advantage of the maximum 12% contribution rate from NFU Mutual by paying at least an 8% contribution rate.

**58,337**

The number of member visits to the Scheme website since it was launched in 2021.

**12**

The number of investment funds that DC members can choose from.

# Scheme noticeboard

## New Scheme flexibilities

The Trustee and NFU Mutual have recently carried out a review of the options available to members at retirement and we're pleased to announce that some new flexibilities have been introduced.

Members who have left the Scheme will now have the option to take early or late retirement from deferred status – there is no requirement to take your pension pot at age 60.

In addition, members can now request to access their DC pot early whilst remaining in employment.



## Cutting back on contributions?

Recent reports suggest that around one in five pension savers have already stopped or cut back on their contributions in response to the cost-of-living crisis.

Worryingly, someone on an average salary who stops their contributions for a period of three years could end up with, on average, £22,000 less in their pot than if they'd carried on paying the minimum auto-enrolment amount.

It's sadly understandable that many households are being forced to make tough decisions with reduced budgets, but it's important to keep an eye on the future and think longer term, too.

Depending on where you are in your pensions journey and your investment strategy, what matters for most members is how your pension investments perform over the long term. Pensions are long-term savings, and it is important that you do not make hasty decisions based on short-term fluctuations.

Remember that if you pay in more than the minimum of 4%, NFU Mutual will pay in up to 1.5x what you contribute, so it makes sense to pay in as much as you can afford. And, thanks to tax relief and SMART savings on your contributions, the cost to you is even less than you might think.

You pay	NFU Mutual pays	Total
4%	4%	8%
5%	6%	11%
6%	8%	14%
7%	10%	17%
8%	12%	20%

You can make changes to your contribution rate at any time and there's no need to wait for the annual renewal dates. If you decide you want to make one-off additional payments, you can do so by going to My Reward Hub.

## Are you on track to achieve your retirement goals?

The Pensions and Lifetime Savings Association (PLSA) have recently updated their Retirement Living Standards. The Retirement Living Standards have been designed to show people what life in retirement might look like at three different levels - minimum, moderate and comfortable. For a single person, the minimum target is now £13,000 a year, £23,000 a year for moderate and £37,000 a year for comfortable. For couples, the standards are £20,000, £34,000 and £55,000. You can find more information about the standards by visiting [www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)

Don't forget, you can view your fund value and model potential retirement benefits on My Work Pension [www.myworkpension.co.uk](http://www.myworkpension.co.uk) - see the next page for details.

## Have you tried My Work Pension?

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 Trafalgar House using the contact details on the back page or you can log this using the ‘contact us’ option at: **[www.myworkpension.co.uk/contactus](http://www.myworkpension.co.uk/contactus)**. There is more support available online at: **[www.myworkpension.co.uk/FAQs](http://www.myworkpension.co.uk/FAQs)**

## Climate change legislation

Climate change has been identified as a financial risk to the world’s economy. The Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD) is driving change to make climate-change reporting compulsory. Therefore, in the next few years, all large pension schemes will be required to increase and improve their reporting of climate-related financial information. This includes the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world.

Climate change is one of the biggest challenges facing the people of the world and life in general. For many years, scientists have detected an increasing proportion of greenhouse gases in our atmosphere and this process must slow down, reach stability and eventually decline if we are to avoid disastrous changes in our climate. This is a worldwide problem, and all countries must play a part in resolving it. The UK government has introduced regulations which apply to pension schemes, principally requiring reporting to our members on the steps we are taking and on our plans. These reports also follow the TCFD framework.

Accordingly, this ‘TCFD report’ sets out the processes being put in place by the Trustee, alongside our initial reports of progress for the period from 30 September 2022 to 31 December 2022. It is prepared in the form required by the Department for Work and Pensions.

The Scheme published its first TCFD report on 16 June 2023, a copy of which can be found here: <https://bit.ly/3SzWorY>

Hard copies may be provided by the Secretary to the Trustee on request (contact details can be found on the back page).



## Are your expression of wish nominations up to date?

It is important to make sure that your expression of wish nominations remain up to date, particularly if your circumstances change, such as if you get married or divorced, enter or leave a civil partnership or have a child.

In the event of your death, if there is a discretionary benefit payable from the Scheme, the Trustee Directors are responsible for deciding who should receive any payment that is due, but they will take your wishes into account. An up-to-date expression of wish nomination allows us to quickly and easily identify anyone you have nominated to receive benefits.

You can update your expression of wish nominations at any time by updating the details online on My Work Pension or by contacting Trafalgar House, using the details on the back page.

Active members should also complete an expression of wish form for the Excepted Group Life Assurance Scheme (EGLAS) which is available on iPeople. The Trustee of the EGLAS will use this form to help them to decide who should receive any death-in-service lump sum death benefit which is provided outside of the Retirement Benefit Scheme.

# Pension news

## Changes to underlying benefit statement assumptions

From October 2023, pension schemes will have to update the assumptions they use to produce estimated retirement income figures in members' annual benefit statements. This is often called a 'statutory money purchase illustration' and is an indication of how much pension (annuity) you could buy with your pension pot at retirement.

Until now, identical pots held in different schemes could provide different estimates, which is potentially confusing. The changes are designed to correct this inconsistency by ensuring all schemes use the same assumptions for this calculation. They will also have to assume that the member uses their pension pot to buy a level (non-increasing) annuity and that no provision is made for a spouse's pension on death.

The changes being introduced are part of a broader set of changes to facilitate the introduction of the government's pensions dashboard. The dashboard aims to enable you to see all your pension savings in one place – but see below...

## Pensions dashboard faces delays

Despite hopes that the pensions dashboard would be launched this year, the government has confirmed that the timetable has been pushed back. This is to give the industry more time to resolve issues and develop more guidance for pension providers.

The dashboard aims to provide a single point of reference for members to view information about their pension savings, as well as potentially offer a means of reuniting people with their lost pension pots.

If you think you may have lost a pension pot, the Pension Tracing Service is a free government service on hand to help. You can phone the service directly on 0800 731 0193, or search pension tracing on the **GOV.uk** website.



## Spring Budget 2023

On 15 March 2023, the Chancellor announced some changes to the pensions taxation framework.

In summary, the proposed changes were:

- From 6 April 2023, the Lifetime Allowance (LTA) tax charge was removed. From 6 April 2024, the intention is for the LTA to be abolished
- The maximum tax-free cash will be retained at £268,275 (25% of the previous Lifetime Allowance of £1,073,100)
- The Annual Allowance was increased from £40,000 to £60,000 from 6 April 2023
- The Money Purchase Annual Allowance was increased from £4,000 to £10,000 from 6 April 2023
- The Tapered Annual Allowance was increased from £4,000 to £10,000 from 6 April 2023.

If you think that you might be impacted by any of these changes, you may wish to speak to a financial adviser, either one of NFU Mutual's own staff financial advisers or an independent financial adviser.



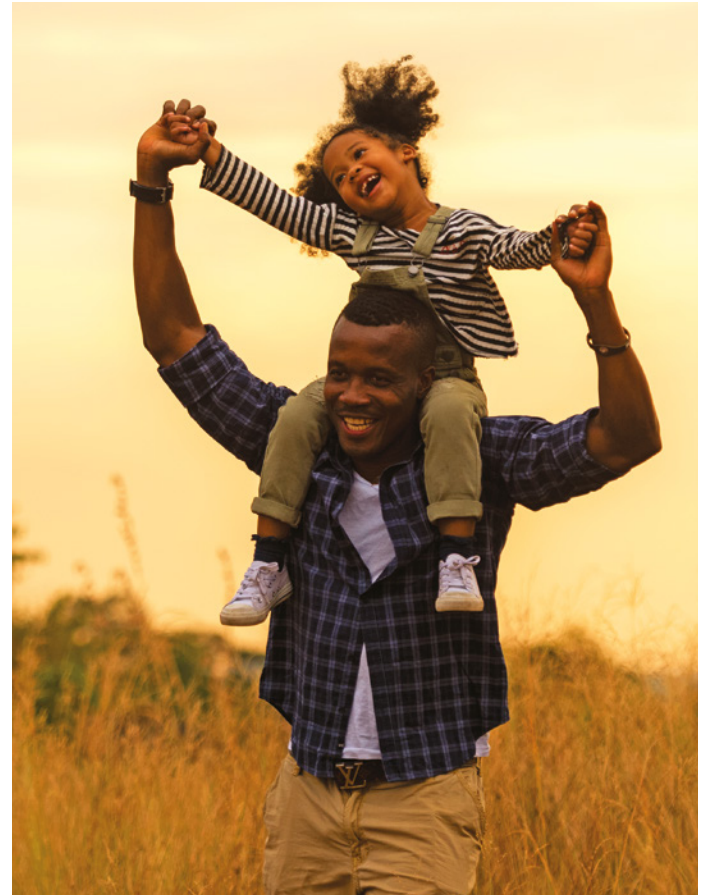
## Fraud and scam awareness

Pension scammers love to exploit events – such as the current cost-of-living crisis. They also use changes in pensions laws as an opportunity to trick people.

Not only are people facing rising costs, and so more likely to consider accessing their pension savings, but the government has also raised the minimum pension age from 55 to 57, which will take effect in 2028 (as reported in a previous newsletter). This is the earliest age you can access your benefits – but to confuse matters, some people have protected minimum pension ages which allow them to retire early at 50 or 55, despite the government’s changes. Scammers might try to exploit this confusion and convince you that they can help you access your savings earlier.

Before you make any decisions about your pension or authorise anyone to deal with your financial affairs, check to see if the firm is on the Financial Services Register at: <https://register.fca.org.uk/s>

You can find out how to spot a pension or investment scam at: [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)



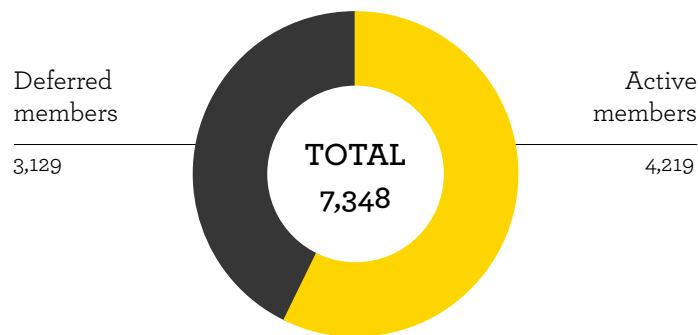
# Facts & figures

The information on these pages is a summary taken from the Trustee's Report & Accounts for the year to 31 December 2022, which have been audited by PricewaterhouseCoopers LLP. We have also included the figures for the year to 31 December 2021.

	2022	2021
On 1 January, the DC Section was worth	£260 million	£208.9 million
Money in	£29.4 million	£30.4 million
Money out	(£9.7 million)	(£9.1 million)
Change in the value of our investments	(£25.7 million)	£29.8 million
On 31 December, the DC Section was worth	£254 million	£260 million

## Membership

The chart shows the membership profile of the DC Section as at 31 December 2022. 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.



	2021
Active members	3,936
Deferred members	2,837
<b>TOTAL</b>	<b>6,773</b>

# Spotlight on investments

## Changing the lifestyle strategies

We wrote to DC Section members about some changes we were making to the default and lifestyle investment strategies, following a review of the Scheme's investment options. The changes were implemented in August 2022.

As a reminder, the changes involved:

- increasing exposure to equities in the growth phase of the lifestyle strategies (the earlier stage of the retirement journey) by introducing a new fund, the NFU Mutual Mixed Portfolio Max 100% Shares Fund, and
- lengthening the transition phase in the lifestyle strategies from three to seven years (this is the stage where investments start to move out of equities as the member approaches retirement)

Affected members were given the option to log into My Work Pension and select something different for their pension investments if they did not support the changes.

## Review of self-select funds

We also made the new NFU Mutual Mixed Portfolio Max 100% Shares Fund available as part of our self-select investment range, for members who prefer to make their own investment decisions. This has increased the number of available funds from 11 to 12.

We carried out a further review of the self-select fund range earlier this year and agreed to add the Legal and General (ex-UK) Equity Index Fund to the range. This fund was made available from October 2023.



## Lifestyle – a reminder

As a reminder, the Scheme currently offers three lifestyle strategies. A lifestyle strategy is designed to automatically move your investments as you approach retirement.

Generally speaking, when you are young, you can afford to take more investment risk but you might want to take less risk as you approach retirement.

Our lifestyle strategies typically consist of two phases, the growth phase and the transition phase. All three lifestyle strategies share the same investments during the growth phase, but then during the transition phase will move into different funds, depending on how the individual member plans to use their pension savings at retirement. There are currently three lifestyle strategies available which target income drawdown, annuity purchase and cash at retirement.

**The Trustee has selected the Drawdown Lifestyle Strategy as its default investment strategy and so if you have not made a decision about how you want your funds to be invested, your contributions will automatically be invested in the default strategy.**

You can check how your pension savings are currently invested by logging onto My Work Pension:

[www.myworkpension.co.uk](http://www.myworkpension.co.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. Since our last newsletter, there have been some changes to the Trustee Board. Details of your current Trustee Directors are below:

## Company Appointed

John Deane (Chair) (appointed 1 November 2022)

Jonathan Priestley

Dan Bailey (appointed 1 July 2023)

## Member Nominated

Kevin Davies

Andrew Spriggs

For more information about the Scheme, please see our website at [www.nfumstaffpensions.co.uk](http://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

The National Farmers Union Mutual Insurance Society Ltd  
Legal & General Assurance (Pensions Management) Ltd

### Legal adviser

Gowling WLG LLP

### Bankers

Lloyds Bank plc



## **John Deane** **Chair – Company Appointed**

John joined the NFU Mutual Board in 2022. He is a Fellow of the Institute of Actuaries and brings a wealth of experience, having spent 40 years in the insurance industry where he held senior positions at Chesnara, Royal London Group, Old Mutual and Century Life. John joined the Trustee Board in November 2022 as a Company Appointed Director and replaced Brian Duffin as Trustee Chair with effect from 1 July 2023. Brian Duffin stepped down as Trustee Chair with effect from 30 June 2023 and from the Trustee Board on 31 July 2023 after almost 10 years of dedicated service. We would like to take this opportunity to thank Brian for all of his hard work and dedication during his time on the Trustee Board.

## **Dan Bailey** **Company Appointed**

Dan joined NFU Mutual in 2019 and has been Head of Reward since 2020. His role is to oversee the development and delivery of NFU Mutual's Reward and HR Data strategy, ensuring that remuneration and benefit offerings recognise the contribution that employees make to the success of the business and attract and retain great people.

Before joining NFU Mutual, Dan had several roles within the UK motor industry within HR.

# 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

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**Email us:**

[nfumutual@thpa.co.uk](mailto:nfumutual@thpa.co.uk)

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**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, Melanie Arthur.

**Email:** [RBS@nfumutual.co.uk](mailto:RBS@nfumutual.co.uk)

Secretary to the Trustee  
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## Accessibility

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