

Pension News

Welcome to our latest newsletter, for all members of the Defined Benefit (DB), Hybrid or Mirror Image Scheme (MIS) sections of the UUPS

June 2020

Message from the Chair of Trustees

Welcome to the first of this year's newsletters for contributing, deferred and pensioner members of the DB benefit sections of the UUPS.



During this time of uncertainty for us all, due to the ongoing Covid-19 crisis, the Trustee has been working with its advisers and the United Utilities Pensions Team to ensure that business continuity plans are in place and working effectively.

We are working closely with the Scheme Administrators who operate the Scheme on a daily

basis to discuss their contingency planning to make sure that key work streams such as pensioner payroll and benefit payments continue to be processed.

We are also working with the Scheme's specialist advisers to regularly review the effect of the current unprecedented market volatility on the Scheme's investments and DB funding level. The **DB Scheme** has a low risk investment strategy, meaning it is protected to a certain extent from large market swings. However, even with such a strategy, the financial impact of the current international crisis will have an effect on the funding level of the **DB Scheme**.

At times like these it should be remembered that pension schemes are long term arrangements and we have a strong

sponsor in United Utilities. Therefore, whilst all Schemes can expect to experience short term impact on their funding levels, it is expected that over the long term, funding levels will stabilise. **In the meantime, fluctuations to the Scheme's funding level does not impact its ability to pay members' pensions and benefits when they fall due.**

In relation to members who have funds in the **Defined Contribution** section of the Scheme, either through the **Hybrid section** or **AVCs**, the impact on individual pots will be more noticeable. For most members who are a number of years from retirement, the expectation is that fund values will recover over the long term, although there are no guarantees.

For members who are approaching retirement, the current market volatility will be more concerning. Whilst the Trustee continues to work closely with its advisers to understand the impact of the current market volatility on DC funds, the Trustee, the Company and the United Utilities Pensions Team are not authorised to provide financial advice to individual members. **We would therefore urge you to speak to your financial adviser before making any decisions in relation to your pension.**

Details on how you can find a financial adviser in your area can be found on page 8.

It is a challenging time for everyone but I can reassure you that the Trustee is confident in the processes in place to manage the Scheme during this unprecedented worldwide crisis.

With best wishes,
Gary Dixon, Chair of the Trustees



**MORE
REWARD**

Your Trustee Board

As confirmed in the last newsletter, the terms of office for three of the member elected Trustees came to an end in March 2020.

Phil Sweeney was re-elected and Barbara Dutton and Ian Monks took office from the Trustee meeting held on 10 March 2020. A brief introduction to Barbara and Ian can be found below.

The Trustee would like to offer sincere thanks to Andrew Lambert, who stood down at this election, and Chris Lee, who had reached his maximum term of office. Both Andrew and Chris have brought a wealth of knowledge and experience to the Trustee Board over the period of their appointments and the Trustee thanks them both for their valued contributions during their time as Trustee Directors. We wish both Andrew and Chris the very best for the future.

Your Trustee Directors ('Trustees')

Member Elected
Lynne Brierley*
Barbara Dutton*
John Jones
Ian Monks
Phil Sweeney

Company Appointed
Gary Dixon (Chair)
Allan Heron*
Colin Maloney*
Graeme Mooney
Paula Steer

**receiving a pension from the Scheme*

Your Trustees are appointed to ensure that the Scheme is run in accordance with the Trust Deed & Rules and overriding legislation, and to act in the best interests of the membership as a whole.

Your newly elected Trustees:



Barbara Dutton

Barbara is a pensioner member of the Scheme and worked for United

Utilities for 23 years. Barbara was Operations Manager (Water), working across all business areas from Huntington in the South to Carlisle in the North. She also worked in operational strategic management in Warrington and was Education Officer for the Trade Union, Unison.

Barbara has held a number of Trustee positions and brings this experience with her to the UUPS Trustee Board.



Ian Monks

Ian is an active member of the Scheme and has worked for United

Utilities for 31 years. Ian is currently based at Blackburn Wastewater Treatment Works in the Trade Effluent team.

Ian is job-share lead representative for Wastewater in UNISON UU and is the branch Pensions Officer. This means he works with national officers on pensions matters and was also involved in the pension changes consultations in 2018. This is valuable experience as Ian joins the UUPS Trustee Board.



Phil Sweeney

Phil was first elected to the Trustee Board in 2016. Phil is an

active member of the Scheme, having worked for United Utilities for 24 years, following in the footsteps of his dad (34 years' service before retiring). He currently works in the Company's Integrated Control Centre where he heads up the teams looking after Operational Planning, Emergency Planning, Emergency Response and Monitoring & Control. In his first term, Phil was a member of the Scheme's Defined Contribution Sub-Committee and has recently stepped up as Chair of the Governance, Risk and Audit Sub-Committee and joined the Investment Sub-Committee.

Contact details

DB - Willis Towers Watson

uups@willistowerswatson.com 0113 394 9309

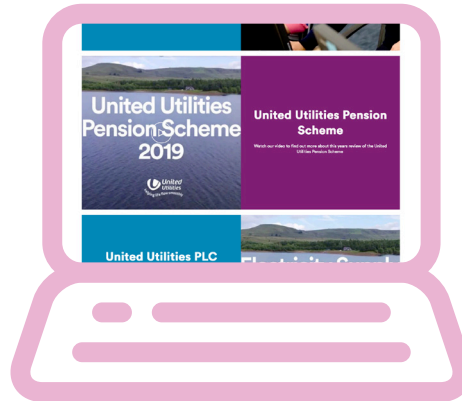
DC/AVC - Aegon

my.pension@aegon.co.uk 01733 353481



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Scheme funding video



In view of the current Coronavirus restrictions, the decision has been taken not to hold informal member meetings this year.

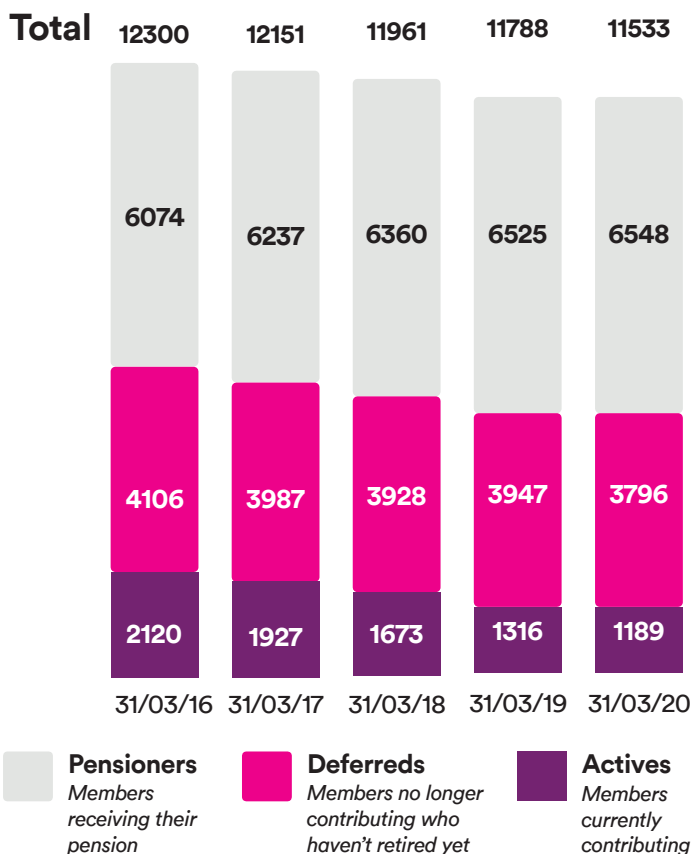
In recent years, attendance at these annual meetings has greatly reduced and therefore consideration is being given to not continuing with these meetings in future years. A video showing the latest funding position of the Scheme can be found on the pensions website and is updated annually in September. These Trustee newsletters also provide lots of useful information about the Scheme and other pensions related news. If members have particular questions they wish to raise, these can be submitted via the Scheme administrators (contact details on page 8).

Did you know there is a short video available on the Pensions website which provides details of the Scheme funding as at 31 March 2019? The 2020 Scheme funding video will be available later in the year.

The video can be accessed at www.unitedutilities.com/pensions

Membership Numbers

Members of the UUPS DB/Hybrid/MIS Section



We also have over 6,000 active and deferred members in the Defined Contribution (DC) section of the Scheme, as at 31 March 2020.



2.2% Pension Increase 2020

Your pension in payment increased by 2.2% from 1 April 2020, in line with the increase in the Retail Price Index (RPI) to December 2019.

Your new pension amount took effect from the April 2020 pay date.

Note that not all elements of your pension may increase at the same rate and you should look at your payslip for confirmation of the new amount payable to you – you will receive a paper copy if the amount payable changes by more than £5.



DC top-up and AVCs

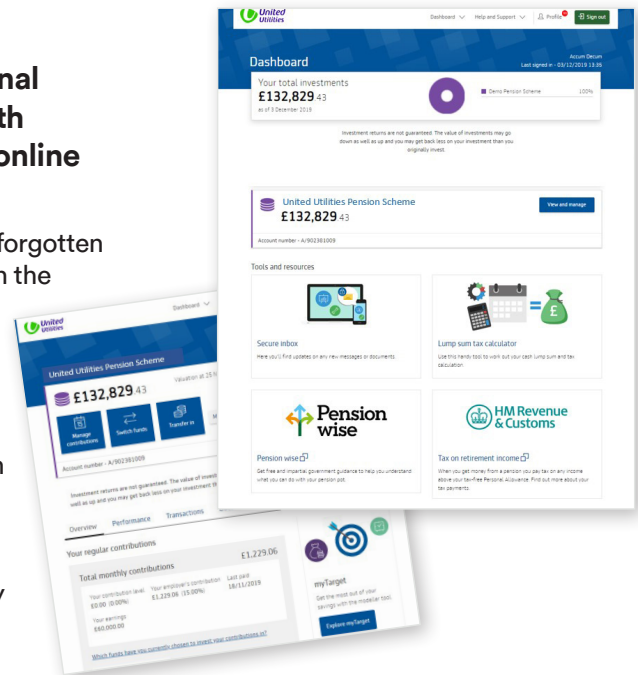
Contributing members who are paying into a Defined Contribution (DC) pot, and those who have paid Additional Voluntary Contributions (AVCs), will hold an account with Aegon. You can view your pension account with Aegon online via 'TargetPlan' at www.aegon.co.uk/targetplan.

If you have misplaced your login details or password you can use the 'forgotten UserID/password' links on the TargetPlan website or contact Aegon on the below details:

Telephone: **01733 353 481**
E-mail: my.pension@aegon.co.uk

If you want to consider your DB and DC top-up benefits together, you can enter the current value of your DB benefits into TargetPlan and then use the modelling tool to understand your potential total retirement benefits. Any benefits you may have with other pension providers can also be input. A guide to show you how to use this option within TargetPlan can be found in the Hybrid section of the Information Library on the Pensions Website at:

www.unitedutilities.com/information-library



Member feedback

The United Utilities Pensions Team is undertaking a member feedback project. The Trustee is keen to understand what information members would like to receive about the Scheme and in what format. The feedback will be collated via a short telephone conversation with a member of the Pensions Team.

If you would be interested in providing feedback, please contact Samantha Houghton at Samantha.houghton@uuplc.co.uk

Investment of Scheme assets

The Trustee's policy in relation to the investment of Scheme assets is set out in its Statement of Investment Principles (SIP).

The SIP includes information about the Trustee's approach to environmental, social and governance (ESG) issues.

If you would like to see a copy of the SIP, this can be accessed via the Other Technical Documents section of the Information Library on the UU pensions website at:

www.unitedutilities.com/information-library



Active members

– annual update to DB core pensionable earnings

DB core pensionable earning for active members of the Hybrid scheme are increased annually. The new DB core pensionable earnings figure effective from 1 April 2020 is £20,685.48. Any pensionable earnings in excess of this figure are used to provide benefits in the Defined Contribution section of the Scheme.

Further information can be found in the Hybrid Scheme booklet in the Hybrid section of the Information Library on the Pensions Website at: www.unitedutilities.com/information-library



Expression of wish forms

The Trustee would like to remind members of the importance of completing an Expression of Wish form. The form informs the Trustee of members' wishes regarding any lump sum which may be payable on death. A lump sum is usually payable where a member dies before retirement or when a pensioner member dies within the first five years of retirement.

If you have not completed a form, or if your details are not up to date, a form can be accessed in the Hybrid section of the Information Library on the Pensions Website at www.unitedutilities.com/information-library or by telephoning Willis Towers Watson (contact details on page 8).



Trustee Report and Financial Statements

The Trustee's annual report and financial statements for year ending 31 March 2020 is currently in progress. We expect to be able to confirm the results of the audit in the next newsletter, later this year.

Privacy notice



The Trustee takes the privacy of member data seriously. The Scheme's privacy notice provides information regarding the personal data held by the Trustee and how it is processed. If you would like to see a copy of the privacy notice, it can be accessed in the Hybrid section of the Information Library on the Pensions Website at:

www.unitedutilities.com/information-library

Pension Scams

Members should always be vigilant in relation to pension scams. However, some scammers are using the current uncertain climate as an opportunity to try and access your pension savings.

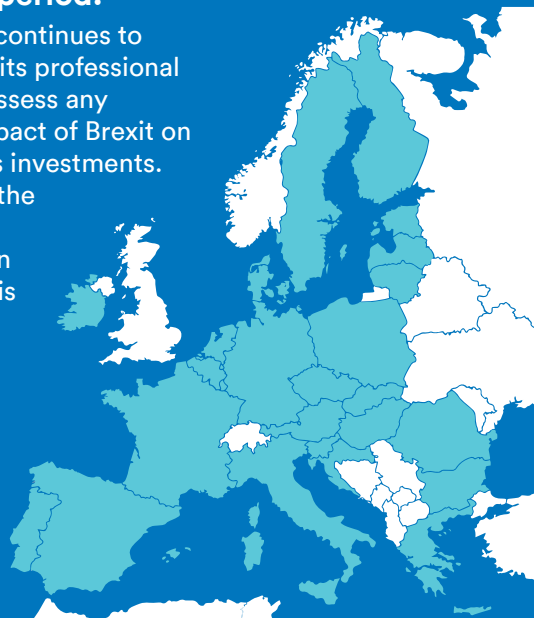
Scammers can be articulate and financially knowledgeable with credible looking websites. If you think you are being targeted by scammers, you can find out more at www.fca.org.uk/scamsmart.



As you will be aware, the UK left the European Union on 31 January 2020 and has entered an 11 month transition period.

The Trustee continues to consult with its professional advisers to assess any expected impact of Brexit on the Scheme's investments. However, at the current time the impact on investments is unknown.

Brexit



Government Consultation on



The Government has announced a consultation on the measurement of the Retail Prices Index (RPI). Once in payment, the increases to your pension are linked to RPI and therefore, any changes to the measurement of RPI would affect future pension increases.

The change is under consultation at the current time and we will confirm in due course when the outcome of the consultation is known. However, due to the potential impact of the change on members' future pension increases, the Trustee has written to the Government to express its concerns about the proposed change and will be responding to the consultation.

Keeping us up to date

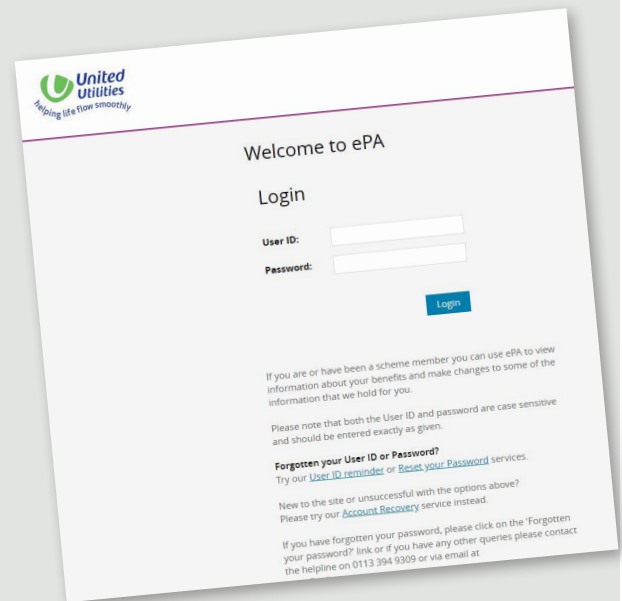
Your pension is an important benefit.

It is essential that we keep your pension record up to date in order to pay your benefits promptly and accurately and to administer the Scheme efficiently. You can now use ePA to update:

- Your personal details
- Your spouse's details
- Your nomination information

You can access ePA at www.epa.towerswatson.com/accounts/uup/

If you do not have login details, please contact Willis Towers Watson (contact details on page 8).



Pension Tax Allowances

The Lifetime Allowance (LTA) is the maximum amount of pension savings that you can have at retirement from all pension schemes without incurring an additional tax charge. In April 2016, it was fixed at £1 million. However, the LTA started to increase with inflation from April 2018 as measured by the Consumer Prices Index and it is currently £1,073,100 for the 2020/21 tax year.

The Annual Allowance (AA), which is the maximum annual pension savings that will qualify for tax relief, remains at £40,000, although there are lower limits for individuals with income above £200,000 or who have already started accessing their pension benefits.

Different arrangements are applicable for individuals earning in excess of £312,000.

If you think you could be affected by these tax limits, please contact the Scheme Administrators in the first instance (contact details on page 8).



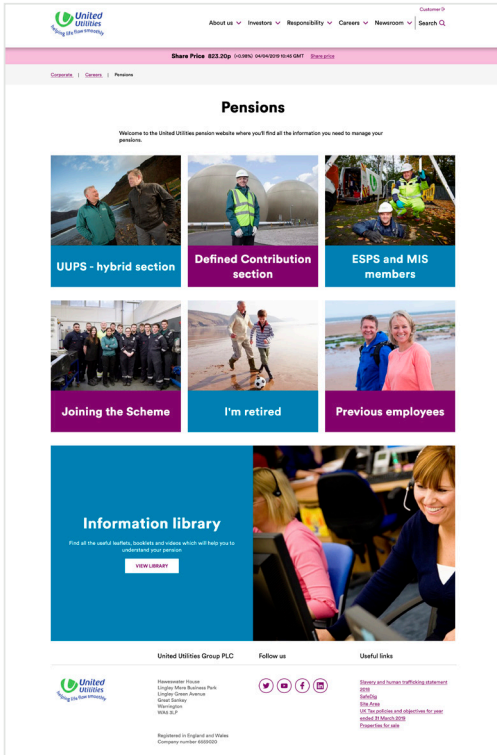
Did you know....

From December 2019, legislation has been introduced to allow opposite sex couples to register a civil partnership in England and Wales. Prior to this date, civil partnerships were only available to same sex couples.

The UU pensions website

There is lots of useful Scheme information available on the pensions section of the United Utilities' website, including leaflets on being part-time, paying AVCs, transfer out FAQs and DC investment choices leaflet.

You can access the website at:
www.unitedutilities.com/pensions



Obtaining information about your pension

If you have a query regarding your DB pension you should contact the administrators, Willis Towers Watson, in the first instance:

Telephone: **0113 394 9309**
Email: uups@willistowerswatson.com

Willis Towers Watson Limited
P O Box 545
Redhill RH1 1YX

In addition, all members have access to their pension records through the online service, ePA, which can be accessed at www.epa.towerswatson.com/accounts/uup/

If you have a query regarding your DC top-up pension you should contact the administrators, Aegon, in the first instance:

Telephone: **01733 353481**
Email: my.pension@aegon.com

Aegon Workplace Investing
PO Box 17486
Edinburgh EH12 1NU

Alternatively, all members have access to their pension records through the online service, TargetPlan, which can be accessed at www.aegon.co.uk/targetplan.

Please quote 'UUPS' and your **National Insurance number** in all correspondence with the Scheme Administrators.

Need an IFA?

The Trustee, the Company and the Scheme Administrators are unable to provide you with financial advice. If you are uncertain of the best option for you, you should take independent financial advice. If you do not have a financial adviser, you can find one in your area at www.unbiased.co.uk. Please remember to check that whoever you speak to is properly qualified to advise you.

Useful contacts:

- www.gov.uk
Government information and services across a wide range of subjects, including state pension provision
- www.gov.uk/state-pension-statement
Government site to obtain a quotation of your state pension and check your state pension age
- www.pensionsadvisoryservice.org.uk
Impartial guidance for people with workplace and personal pensions
- www.moneyadviceservice.org.uk
Free and impartial money advice, set up by the government
- www.pensionwise.gov.uk
Government service providing guidance about defined contribution (DC) arrangements (including AVCs) for those over 50
- www.thesilverline.org.uk
(or call 0800 4 70 80 90)
Free website and 24 hour helpline providing information, advice and support for older people

