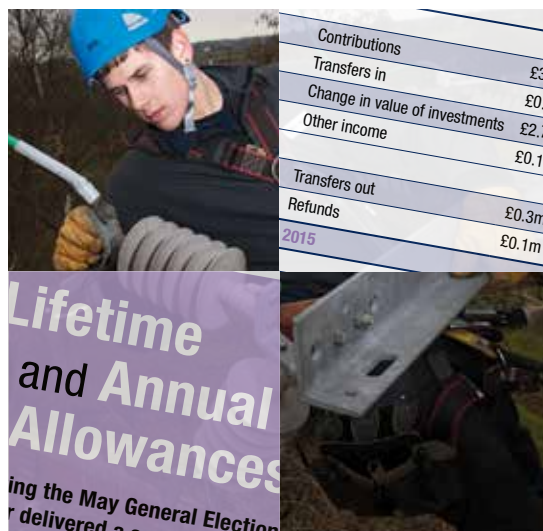


# Life after work

Pension news for the  
**Defined contribution section**  
September 2015



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Freedom and Choice | Pensioner Briefings  
Budget changes to tax limits  
**AND MORE...**

**electricity**  
**north west**

Bringing energy to your door

# Welcome to the latest edition of 'Life after work'



## Welcome to your DC Newsletter for 2015.

The Government has continued to shine a light on pension provision and we have been reviewing the new flexibilities to understand what they mean for our scheme and for you as members. We've included an article about what these are and how you can find out more information later in the Newsletter - and hopefully you all received the leaflet we posted out in the Spring also.

Of course one of the biggest projects for us this year has been the change of administrator - records with RPMI went live in February. We are pleased to confirm that the transfer to RPMI went very well and they are now dealing with member queries and processing our investments for us. ~~See page xx for a photo of the RPMI team.~~

To further help you get the most from your pension savings we are setting up a member engagement panel this year. The panel will work with the Trustee and the Pension Team to give us valuable feedback. We are looking for recruits so please get in touch with the Pension Team if you are interested.

I hope you find this newsletter interesting and helpful. If you do have any questions or feedback about this edition, or have suggestions for articles to be included in future editions, please get in touch with the Pension Team whose details are on the back page.



**Bob Armstrong OBE**  
Chair of Trustees



## Trustee ballot

The Trustee Board consists of eight Trustee Directors, four appointed by the Company and four by the members.

The member appointed positions last for four years and we run a ballot every two years for two of the positions. Two of these (Peter Gregory and John Leigh) came up for re-election in February 2015 and we asked you for nominations in late 2014. Peter confirmed that he did not want to stand for re-election. We ran a ballot and the result was that John was re-elected and Malcolm Sugden was also newly elected to run for the next four years.



**Peter Gregory**



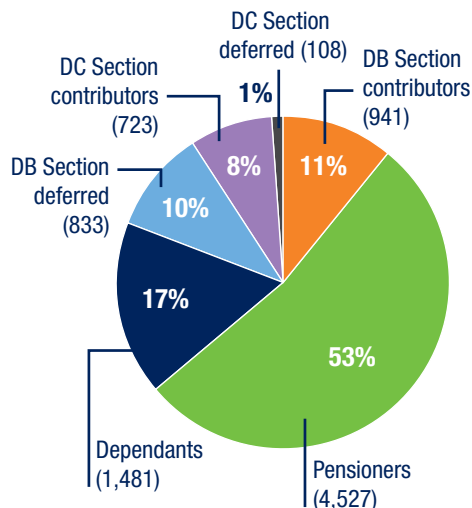
**Malcolm Sugden**

Malcolm took early retirement from the company in 2010 after 34 years' service in many different roles, the last one being Finance Director. Malcolm was also a Trustee Director previously, from 2006 to 2010. We are delighted to welcome Malcolm to the Board.

One of the Company appointed Directors, Catherine Rix, resigned from the Board in May 2015. Her replacement is expected to be appointed by December 2015 and we will let you know who this is in due course. We would like to thank Peter and Catherine very much for all their hard work as Trustee Directors.

# Scheme accounts for the year to 31 March 2015

Membership data:



A full set of audited accounts are prepared each year. You can find the full Trustee Report and Financial Statements on the Volt or the Company website, or you can ask the Pension Team for a copy. The main figures for the Defined Contribution section are:

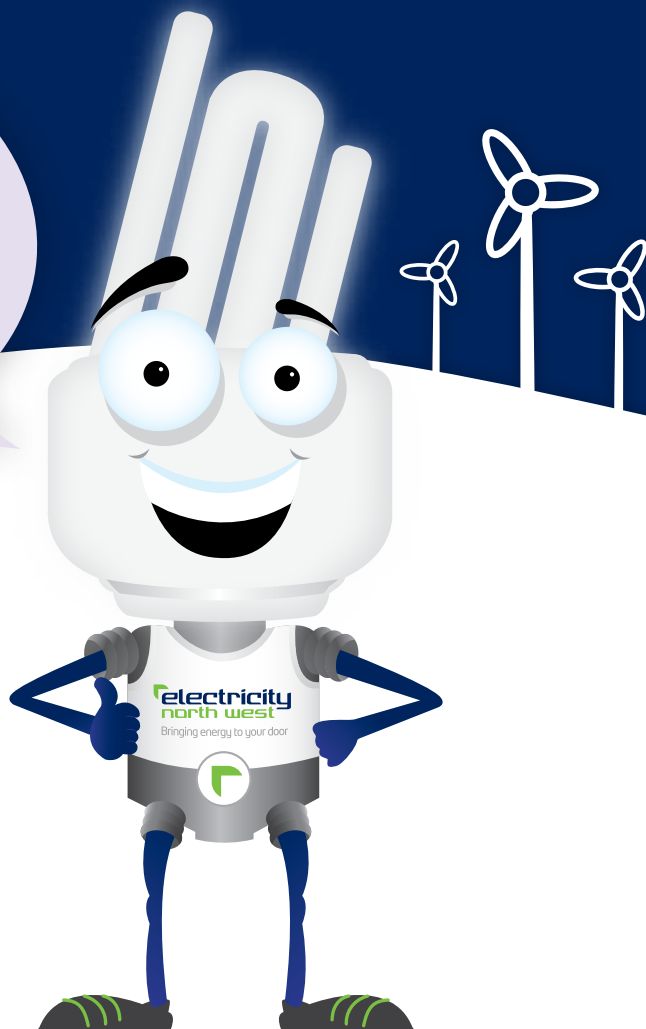
DC fund account:

<b>Assets at 1 April 2014</b>		<b>£15.1m</b>
<b>Income</b>		<b>£6.5m</b>
	Contributions	£3.6m
	Transfers in	£0.1m
	Change in value of investments	£2.7m
	Other income	£0.1m
<b>Outgoings</b>		<b>£0.4m</b>
	Transfers out	£0.3m
	Refunds	£0.1m
<b>Assets at 31 March 2015</b>		<b>£21.2m</b>

Membership  
numbers as at  
31 March 2015  
Total members:  
8,613

## Trustee Meetings

During the year, the main Trustee Board met four times. There are also five sub-committees, which have responsibility for, and take decisions on, different areas of the Group: Administration, Audit, Governance, Investment and Defined Contribution. Between them, the sub-committees met 14 times during the course of the year.



## IMPORTANT!

Pension scams are  
on the increase

Call **0300 123 1047**

# Pension scams

For the last couple of years we have told you about pension liberation fraud where scammers entice pension scheme members to transfer their pensions to a bogus pension scheme by claiming they can access their benefits before age 55 or promising more than 25% of their fund as cash. The law has now changed from April 2015 so you can now take more than 25% of your benefits as cash, but pension scams continue.

What to do if you think you have been targeted:

- Do not rush into making a decision
- Make sure the person contacting you is authorised by the Financial Conduct Authority by checking on [www.fca.org.uk/register](http://www.fca.org.uk/register)
- Get in touch with the Pension Team to raise your concerns
- Call the Pensions Advisory Service on **0300 123 1047** for information and advice about pension scams.

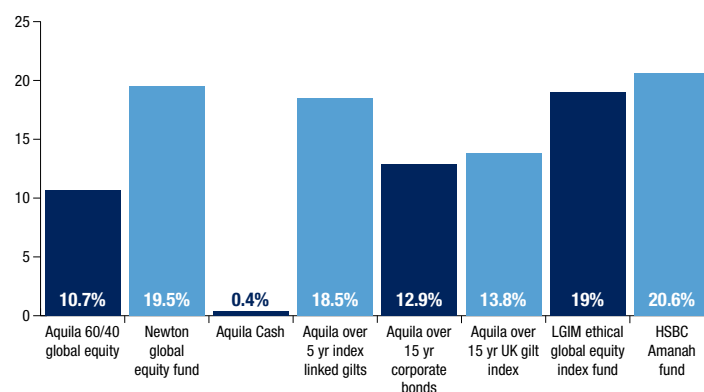
A copy of the Pension Regulator's latest 'Scorpion leaflet' about pension scams is included with this newsletter and will help you find out more information to protect yourself or if you think you may have been targeted.

# How have our funds performed?

When we switched our administration provider to RPMI, your pension pots were transferred from Friends Life to BlackRock. As most of the funds administered by Friends Life were already held with BlackRock, very little money was actually moved and this kept costs to a minimum. Where funds could not be maintained we found a similar fund and wrote to you if you were affected.

The performance of the main funds, after fees, over the year to 31 March 2015 is shown below:

Return/Year to 31 March 2015 (%)



From April 2015, the Government has introduced a cap on fund charges at 0.75% and we are pleased to say that none of our fund charges exceed this charges cap, and most are significantly lower. Our main fund, the 60/40 global equity fund, charges only 0.14% - significantly lower than the Government's cap.

## Auto-enrolment

We are pleased to report the auto enrolment process is now well established with most of the new members joining our scheme through auto enrolment choosing to stay in the scheme and make the most of the Company's contributions too.

# Members engagement panel

**This is a new panel being set up to give you the opportunity to feedback your views on how the scheme is run to the Trustees. The panel will consist of up to 10 people and will ideally represent the DC membership across all areas of the Company.**

The sort of issues that might be dealt with by the panel are

- Member communications
- Investment issues
- Retirement options and member support

The panel will meet twice a year and will work closely with the Pension Team and the DC sub-committee on any issues raised. Panel members will be given time to attend meetings and any reasonable expenses will be reimbursed.

We already have some panel members on board but need more - if you would like to join the panel please get in touch with the Pension Team.

**We need you!**

## Freedom and Choice

changes to how you can take your benefits

The Government has recently finalised the changes it introduced in 2014 and we wrote to you recently with some information about this. Just to recap, the new options available to you are:

- You do not have to buy a pension when you reach age 75;
- You can take all of your fund as cash, but only 25% will be tax-free with the rest being taxed at your highest rate;
- There is more flexibility around how much and how often money can be taken out (called income drawdown).

To help you with your new benefit choices we have arranged for Hargreaves Lansdown, a reputable firm of investment advisers, to go through your options with you at retirement to help you find a solution that meets your needs. The Company will meet the costs of providing this service and we strongly recommend you take up this offer of individual financial guidance at no cost to you.

Also, the Government has set up Pension Wise, a **free** and impartial advice service to help with DC pension choices. You can find them at **[www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)**, via telephone from the Pensions Advisory Service, or face to face at your local Citizens Advice Bureau.



# Budget changes

# Lifetime and Annual Allowances



**Following the May General Election, the Chancellor delivered a second budget for 2015. In his July budget, he made further changes to the Lifetime and Annual Allowances.**

The **Lifetime Allowance** is the limit on pension savings that you can have without triggering a tax charge. Last year we told you this had reduced from £1.5 million to £1.25 million. This will now reduce further, to £1 million, from April 2016. The Pension Team will get in touch with you if they think you are likely to breach the limit.

The **Annual Allowance** is the total contributions you are allowed each year, tax-free. This was reduced in April 2014 from £50,000 to £40,000. From April 2016 this will be reduced further for people earning over £150,000 on a sliding scale from £40,000 down to £10,000 (for people earning over £210,000). Again the Pension Team will monitor this for you and let you know if you are likely to incur any tax.

These limits only affect the tax relief you get on pension contributions - you can contribute more you just won't get tax relief on anything over the limits above.

**DON'T FORGET** - contributions made by the Company count towards your total.

## State pension changes

The State Pension is currently made up of two parts; the **Basic State Pension** and the **Additional State Pension** (called the State Second Pension, and previously called SERPS).

The Government has now finalised changes to the state pension which will affect you if you reach state pension age on or after 6 April 2016. The current basic and earnings-related state pensions will be replaced by a single tier pension of at least £151.25 per week for someone with a full national insurance contribution record.

If you will have reached your state pension age before 6 April 2016 your state pension will be unaffected by the changes.

The Government has also announced changes to State pension ages in future. This will increase from 65 to 67 between 2026 and 2028 and there are plans to increase it further to 68 between 2044 and 2046 but this timescale may change.

As you have been contracted out of the Additional State Pension you may not receive the full single tier pension. However the Government has promised that you will be no worse off than under the current system.





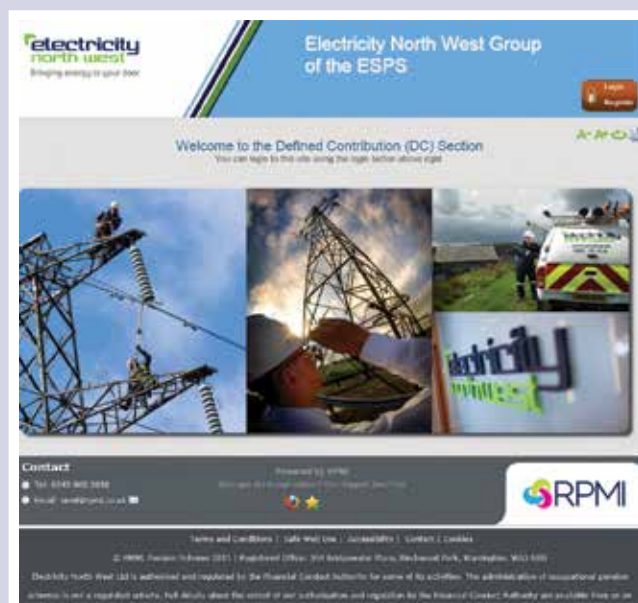
# RPMI

## Online access to benefit information

**We have now been with our new administrator, RPMI, for a few months and we hope you are seeing the benefits already. You will have received your new style benefit statement recently. We think it is much easier to understand - but do give us your feedback through the Pension Team or the new DC member engagement panel!**

You will also have received a letter and log on for the new dedicated RPMI site. We are working with RPMI to keep improving and updating the site so do log in regularly to see what has changed.

Later on in the year we will be visiting all the depots to give you an opportunity to meet the Pension Team and RPMI, and have a demonstration of the new website. We will get in touch with further details in the next few months.



## Quality Features

**In April last year the Government introduced new minimum quality standards across all workplace DC schemes and set these out in 31 quality features.**

In addition, from April this year, there are new legal duties for trustees to report on their compliance with the standards. We are pleased to report we have assessed our scheme against the standards and scored very well. The results can be found on the **Volt** and the Company website.

## ESPS AGM 2015

This year's ESPS AGM will be held on Tuesday 24 November 2015 at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London, EC2A 2HS and will start at 1pm.

The Scheme Annual Report and Financial Statements, the Auditor's Report and the Report of the Scheme Trustee will be received at the meeting and any general business, including the consideration of any Resolutions proposed by the members, will be conducted. The meeting relates to the whole of the ESPS, not just the Electricity North West Group and all members of the ESPS Scheme are welcome to attend.

# Keep in Touch

Do keep in touch and let us know if you change your address. Current employees should contact HR Services to let them know of any changes.

And, of course, if you have any questions please contact the Pension Team!

You can contact our administrator RPMI directly:

- by telephone on **0345 600 2050**
- by email at **enwl@rpmi.co.uk**
- via the website at **www.rpmi.co.uk**
- by letter to RPMI, PO Box 331, Brinkburn Road. Darlington, DL1 9PR

You can contact the Pension Team in the following ways:

- by telephone on **0843 311 4531/2**
- by email at **pensionsandreward@enwl.co.uk**
- website at **www.enwl.co.uk**
- by letter to Mrs Fiona Brown, Group Secretary, Electricity North West, 304 Bridgewater Place, Birchwood, Warrington, WA3 6XG

Please remember to quote your name, date of birth and National Insurance number to help us deal with your enquiry as quickly as possible.

## Other useful contacts

### The Pensions Advisory Service (TPAS)

Free independent information and guidance on pensions

**www.pensionsadvisoryservice.org.uk**

### The Pensions Regulator

The UK regulator of work-based pension schemes

**www.thepensionsregulator.gov.uk**

### Pension Tracing Service

Trace a personal or company pension scheme

**www.gov.uk/find-lost-pension**

### Department for Work and Pensions

Find out how to plan your pension and what you need to do as you near retirement age

**www.direct.gov.uk/en/Pensionsandretirementplanning/index.htm**

### Independent Financial Advice

Find an independent financial adviser near you

**www.unbiased.co.uk**

### Pensions Ombudsman

Investigates complaints about how pension schemes are run

**www.pensions-ombudsman.org.uk**

### The Money Advice Service

Provides information and tools to help you manage your money

**www.moneymadeclear.org.uk**

### Financial Conduct Authority

**www.fca.org.uk**

### Pension Wise

**www.pensionwise.gov.uk**

## Your Pension Team

### Trustees

#### Appointed by the Company

Bob Armstrong OBE - Chairman (Independent)

Bill Ashburner (Independent)

Paul Briggs

### Member Elected

Chris Dooley

John Hodgkinson

John Leigh

Malcolm Sugden

### Advisers

#### Pension Team

Fiona Brown

Helen Daly

Joanne Northall

#### Administrator

RPMI

#### Auditor

PricewaterhouseCoopers LLP

#### Investment Adviser

KPMG LLP

#### Legal Adviser

Sacker & Partners LLP

#### AVC Provider

Blackrock