



# Belron - UK Pension Plan

## Trustee Report to Members

### 2024

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# Chair's welcome



Each year, when I sit down to write this introduction to the Trustee's report, I ask myself what you, the member, will (hopefully!) be interested to read about. When I look back at the things I have written over the years, the phrase 'broken record' comes to mind! I always seem to say how it's been another busy year; how there's so much change in the world of pensions. Yet, for you, it may well feel as if little or nothing changes! If you do feel that way, I can well understand it, not least because the Plan has been closed to new members, for the Final Earnings Section since 2003, and for the Retirement Capital Section since 2011.

The changes are really felt by the Trustee. Only this year, for instance, The Pensions Regulator published its new General Code of Practice, increasing the governance obligations for trustees. A further code is due (delayed by the General Election) regarding funding compliance. Whilst all of this regulation increases the complexity and cost of running a pension scheme, its intention is to provide greater protection for you, the member – except that you may well not see it!

A couple of years ago, I mentioned the fact that the Trustee had significantly reduced the level of risk in the Plan's investments and that the Trustee was beginning to explore, with the Employers, ways in which to reduce risk even further. Why, you may wonder, have you heard nothing more? At that time, most schemes in our position were looking simply to transfer risk to an insurance company (essentially, your pension would be paid by an insurer rather than the Trustee). As time has passed however, more options are becoming available and these need to be considered. Pensions are, as has always been the case, a marathon rather than a sprint.

Behind the scenes, the Trustee continues to beaver away getting the Plan's data in order – this probably seems obvious, but it is surprising how many people move house, or change circumstances, and forget to update their details for the Plan. I know this is repetition, but please register with MyPension at [www.mypension.com/belron](http://www.mypension.com/belron); it is really easy to do and, most importantly, keeping your information up to date helps us to help you. When the Government introduces its Pensions Dashboard, enabling you to see, in one place,

all of the pension 'pots' you may have across different employments, having our data accurate will be really important for you.

During the year, Paul Hadlow decided to hang up his trustee hat to concentrate on his increasing responsibilities within Belron UK and, on behalf of the trustees, I would like to thank him for his contribution over the last few years. I am delighted to announce the appointment of Anshu Varma, Group Head of Tax at Belron International, in Paul's place as an employer nominated trustee. Having had the pleasure both to know and to work with Anshu for many years, I have no doubt that she will be an asset to the Trustee board.

Signing off – for another busy year and even more changes!

**Robert Bass**

# Pensions news



## Guaranteed Minimum Pension (GMP) reconciliation

In our 2022 Report, we explained that, following the Barber court case in 1990 and subsequent High Court ruling in 2018, schemes are required to equalise male and female members' GMP benefits (the element of pension related to contracted out service accrued between April 1978 and April 1997).

Work has continued to progress to ensure that the records our administrator holds match those held by HMRC and the reconciliation of records is now complete. Work on the rectification and equalisation of benefits will begin next with those members whose benefits require equalising, being notified at the end of the process.

## Pensions dashboards

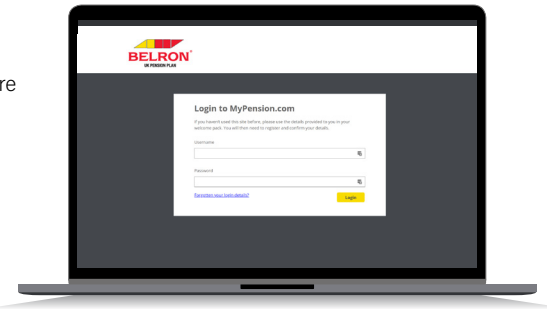
In October 2022, regulations to enable millions of UK savers to access their pensions information in one central dashboard were laid before parliament. Pensions dashboards are designed to enable individuals to access their pensions information online, securely and all in one place, to support better retirement planning. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension. They will also help people to reconnect with any lost pension pots.

In spring 2024, the Government published connection guidance stating that all schemes will need to connect to pensions dashboards by 31 October 2026.

A plan has been agreed between the Trustee and the Plan administrator, XPS, to ensure that benefit specifications and members' benefits are accurate and up to date before being uploaded to the dashboard.

## MyPension – are your details up to date?

It's important that our administrator holds correct details for you. Please remember to check that your address and email details are correct on MyPension by logging in at [www.mypension.com/belron](http://www.mypension.com/belron)



## Increase in minimum retirement age

Currently, you must be aged 55 or over to start to receive your pension. This is called the normal minimum pension age (NMPA) and it's set by the Government. From 6 April 2028, the NMPA will increase to 57. So, from 6 April 2028 you'll need to be aged 57 or older before you can start taking money from your pension.

There are still some circumstances where you can take money earlier, for example if you're suffering from ill health or if you were born between 6 April 1971 and 5 April 1973, where you will have a window from your 55th birthday to 5 April 2028 to access your pension before the minimum retirement age increases to 57. If you fall within this age bracket, it is important to review any retirement plans you may have made.

## New limits on tax-free benefits

Since the last edition of the newsletter, the Government has confirmed some further changes that affect pensions.

The Lifetime Allowance was the amount of pension savings you could build up over your lifetime without incurring additional tax charges, which the Government has abolished from 6 April 2024.

While there is now no restriction on the amount of pension savings you can make over your lifetime, there are some new limits on the tax-free benefits you can take from the Plan.

You may be affected by these changes if you haven't yet taken your pension benefits, and the value of your total benefits across all schemes is close to or over the previous Lifetime Allowance of £1,073,100.

### Lump Sum Allowance

Members are generally able to take up to 25% of their benefits as a tax-free cash sum. This is now limited to £268,275.

## Lump Sum and Death Benefit Allowance

A limit of £1,073,100 on the total value of tax-free benefits that can be paid to or in respect of a member. This includes:

- The tax-free cash covered within the Lump Sum Allowance above;
- Serious Ill Health Lump Sums, which can be payable to members retiring early due to serious ill health; and
- Lump Sum Death Benefits that are not taxable

## Overseas Transfer Allowance

Members can transfer up to £1,073,100 to a Qualifying Recognised Overseas Pension Scheme before needing to pay a tax charge. The Overseas Transfer Allowance is in addition to the other two allowances.

Members with Lifetime Allowance Protection, as well as those with Lifetime Allowance Enhancement Factors, are likely to keep their current protection levels under the new allowances. Please note that neither the Trustee nor the Plan Administrator can give you advice on your benefits.

If you need advice, you can find an FCA-approved financial adviser on MoneyHelper at [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

# Investment performance



The Plan's assets are managed by Legal & General Investment Management (LGIM) and Baillie Gifford. The total value of the Plan's assets at **31 March 2024** was **£308.5m**.

Over the Plan year, the Plan's assets have decreased in value from £327.6m to £308.5m. The objective of the investment strategy is to ensure that the value of the assets broadly moves in line with the value of the liabilities (the total value of the benefits payable to the Plan's members). Overall, the funding level of the Plan remains strong.

## Legal & General Investment Management

### Liability Driven Investment (LDI)

The LDI strategy was implemented in 2020. It aims to hedge against funding level risk, particularly interest rate and inflation risk; two of the biggest financial risks to the Plan's funding level, both of which have increased significantly over the few years. The Fund has performed in line with its expectations over the year to 31 March 2024.

### Buy & Maintain

The objective of the Maturing Buy & Maintain fund, introduced in 2021, is to match movements in the Plan's liabilities (the pension benefits payable) in a cost-effective way. The Fund has performed in line with its expectations over the year to 31 March 2024.

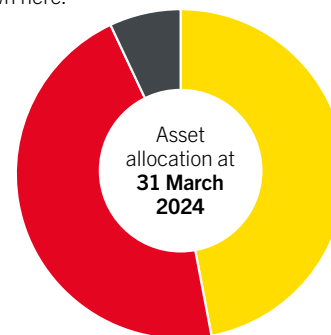
## Baillie Gifford

### Global Stewardship Fund

The fund objective is to outperform (after deduction of costs) the Index by at least 2% per annum over rolling five-year periods. As at 31 March 2024, the fund underperformed against its 5-year target of 14.4%, achieving a return of 8.4%. This is partly due to the types of companies that the fund is invested in, which tend to underperform in times of economic uncertainty. Baillie Gifford, together with the Trustee continue to monitor the fund performance, whilst maintaining a long-term view of steady growth.

## Asset allocation

The strategy at the end of the year to 31 March 2024 was to hold broadly: 95% in matching assets and 5% in return-seeking assets. The actual asset allocation at 31 March 2024 is shown here:



● Liability Driven Investment	47%
● Maturing Buy & Maintain fund	46%
● Baillie Gifford Global Stewardship Fund	7%

# Ins and outs of the Plan



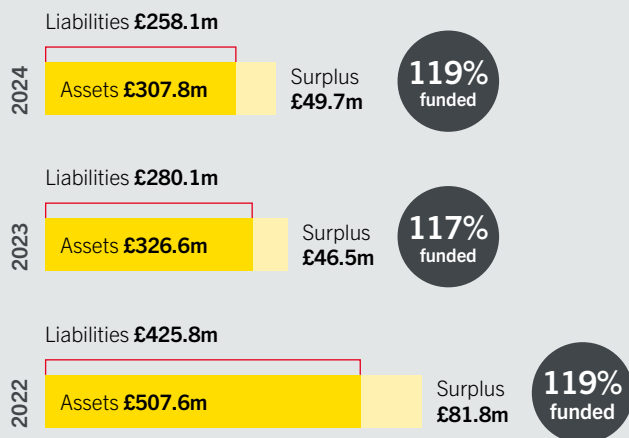
Here are the movements in the Plan's assets during the financial year ending 31 March 2024.

<b>Assets at 31 March 2023</b>	<b>£327,617,531</b>
Employer contributions	£1,321,807
Other income (Death in service payment)	£530,552
<b>Total income</b>	<b>£1,852,359</b>
Benefits paid	-£9,310,096
Administrative expenses	-£642,834
Other payments	-£121,126
<b>Total payments</b>	<b>-£10,074,056</b>
Net return on investments	-£10,941,622
<b>Assets at 31 March 2024</b>	<b>£308,454,212</b>

# Summary Funding Statement



The Trustee is required to provide you with this statement giving you an update about the Plan's financial security. We're pleased to share the results of the three-year actuarial valuation at 31 March 2023, along with a yearly update at 31 March 2022 and 31 March 2024.



## The last actuarial valuation at 31 March 2023

An actuarial valuation is an exercise to compare how much money the Plan has (its assets) with how much it needs to be able to pay everyone the benefits they are entitled to (its liabilities). If the Plan's assets are more than its liabilities, there is a surplus; if they are less, there is a shortfall or deficit.

Full valuations usually take place every three years and the last one was on **31 March 2023**, with a yearly update on **31 March 2022** and **31 March 2024**. The results of these valuations are shown on the left.

## Plan contribution arrangements

The Plan is in surplus, therefore does not require a recovery plan. Due to the surplus in the Plan the Company has ceased to pay contributions. However, this is monitored and if the funding level falls below 112% then contributions will be reinstated.



## Change in funding position since previous statement

Since the March 2022 update interest rates have increased significantly. This has resulted in a large reduction in the value of the Plan's liabilities. The investment strategy is designed to match changes in the liabilities in order to ensure that benefits can be paid to members. The assets correspondingly fell in line with the liabilities which means the funding level has remained strong over the two years.

In addition, updates to the assumptions underlying the liabilities as a result of the 31 March 2023 actuarial valuation resulted in a small increase in the Plan's liabilities over the year and a slightly lower funding level at that point.

## Payments to the Company

We have to tell you that there has not been any payment made to the Company out of the Plan's assets since the last Summary Funding Statement.

## Winding-up

Should the Plan be wound up, the duty to pay all members' benefits may be transferred to an insurance company. In the 2023 valuation it was estimated that the amount needed to secure all the Plan's benefits was £291.9m, which was £34.7m more than the Plan's assets. This is just an indication and is required under legislation, it does not mean that the Trustee or Company are considering winding up the Plan.

## What would happen if the Plan started to wind up?

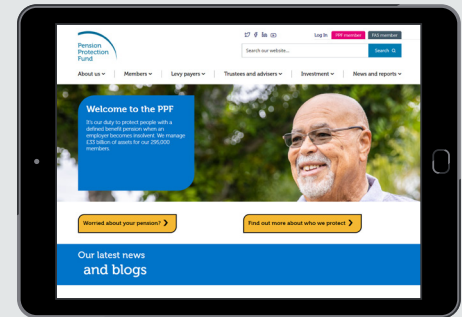
Whilst the Plan is still running, even if funding were temporarily below target, benefits will still be paid in full. If the Plan did start to wind up, benefits may be secured with an insurance company. If there weren't enough assets to secure all the benefits, the Company would have to make up the difference. You might not get all of the benefits you have built up, especially if the Company is not there to pay for any shortfall. In this case, the Pension Protection Fund (PPF) might be able to take over the Plan and pay compensation to members. Further information is available at [www.ppf.co.uk](http://www.ppf.co.uk)

It is only if the Company became insolvent and assets available to the Plan were insufficient to secure PPF level benefits that the Plan would apply for entry to the PPF.

Given the strong funding position of the Plan (as well as the ongoing support of the Company) it is highly unlikely that the Plan would apply for entry to the PPF.

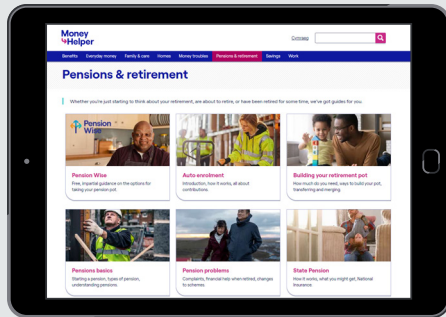
## How is my pension paid for?

The Plan is a defined benefit pension arrangement. This means members build up benefits based on length of service and their salary. The Plan has a pool of money (assets) to pay for these benefits as they become due; it does not hold assets separately for each individual. The Trustee's goal is for the Plan to have enough money to pay all members their benefits, both now and into the future.



## How do you work out how much the Plan needs?

As part of the three-yearly actuarial valuation, the Trustee agrees a funding plan (the Statement of Funding Principles) with the Company, which aims to make sure there is enough money in the Plan to pay for pensions now and into the future.



## Why doesn't the Trustee aim to have enough money to secure benefits on wind up?

Insurers take a very cautious view of the future and need to make a profit; they will also take into account the future cost of running the Plan. This means the cost of securing pensions in this way is considerably more expensive than if the Plan runs normally with the continuing support of the Company. Aiming to have enough money to cover that cost would likely mean that the Plan will have far more than it actually needs if it keeps running.

## Thinking of leaving the Plan?

If you are thinking of leaving the Plan for any reason, you should talk to an impartial financial adviser before doing so; you can find one local to you at [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) (search **Choosing a financial adviser**).



In certain circumstances  
The Pensions Regulator can:

- Direct how the Plan's liabilities must be calculated
- Set the period for removing any funding shortfall
- Set the level of Company contributions to be paid
- Change the way members build up benefits in the future

*None of these things have happened in the Plan.*

# The Trustee



The Trustee is responsible for ensuring that the Plan is run in accordance with the Trust Deed and Rules and complies with all relevant legislation. The individual trustees are committed to continually improving and updating their knowledge. A training day is held every year and each trustee has either achieved or is working towards the Award in Pension Trusteeship, an industry recognised qualification.

## Chair

- Robert Bass

## Independent Trustees

- Carol Madeley
- Leslie Robb

## Company nominated

- Nina Platt
- Anshu Varma

## Member nominated

- Mike Pert
- Mark Reay
- Paul Warner

## Secretary to the Trustee

- Camilla Manning

## Trustee's Advisers

The trustees' job would be impossible without the assistance and advice from their advisers. During the year the Plan's advisers were:

- **Administrator**  
XPS Administration Ltd
- **Actuary & Investment Consultants**  
XPS Ltd and XPS Consulting Ltd
- **Auditor**  
Ernst & Young
- **Investment Managers**  
Baillie Gifford & Co  
Legal & General Investment Management
- **Custodian Trustee**  
BNY Mellon
- **Solicitors**  
Gowling WLG

# Get in touch




If you would like further information about the Plan, please contact the Pensions Team. The team can be contacted in the following ways:

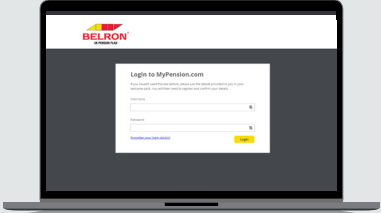
@ [pensions@belronuk.com](mailto:pensions@belronuk.com)

 <https://belronuk.sharepoint.com/sites/PeopleExperience/SitePages/Pensions.aspx>

[www.members.pensionpal.co.uk/belronpensions](http://www.members.pensionpal.co.uk/belronpensions)

 Pensions Team  
Autoglass  
1 Priory Business Park  
Cardington  
Bedford  
MK44 3US

This report provides a brief summary of the formal Trustee's Annual Report and Accounts for the year ended 31 March 2024. You are welcome to request a copy of the full Trustee's Annual Report and Accounts or any other document relating to the Plan, including the latest Actuarial Valuation report, Statement of Investment Principles, Statement of Funding Principles, and Schedule of Contributions. You can request a copy of any of these documents from the Pensions Team.



### MyPension

Have you logged on to MyPension recently? Just go to [www.mypension.com/belron](http://www.mypension.com/belron) to view your pension details.

If you've lost your login details, please click **Forgotten your login details** on the login page or contact XPS Administration at [enquiries@mypension.com](mailto:enquiries@mypension.com)

If you've not registered before and need your login details, please contact the XPS Administration team at [belronadmin@xpsgroup.com](mailto:belronadmin@xpsgroup.com) or call **0118 313 0948**.