

# The Bic UK Pension Scheme

## Your 2023 Summary Funding Statement

We are writing to you as the Trustees of the Bic UK Pension Scheme (“the Scheme”) to provide you with an update of the funding position of the Scheme. This statement is for information only and is being sent to all pensioners and other members who are entitled to benefits from the Scheme.

### Background

The Scheme is overseen by a Trustee Board comprised of the following people:

Independent Trustee:	Michael Burgess
Employer Nominated Trustee:	Brett Griffiths
Member Nominated Trustee:	David Everitt

We, as Trustees, seek to have sufficient money to continue to pay full pension entitlements to all members. In order to do this, we aim for the Scheme to become and remain fully funded on a scheme-specific basis (in accordance with the Pensions Act 2004). This means that we would, in normal circumstances, have enough money over time to meet all the commitments of the Scheme as they fall due.

To achieve this, the Trustees will:

- agree from time to time the contributions to be paid by Bic UK Limited (“the Employer”), based on the periodic actuarial valuations;
- oversee a prudent investment policy designed to match the funding required by the Scheme.

We recognise that we will also need the Employer to continue as a solvent employer so that contributions can be paid to the Scheme as required.

No pension benefits can ever be completely secure. This statement gives information on the actions the Trustees and the Employer are taking to ensure the Scheme can pay all pensions in full, and the additional protection available from the Pension Protection Fund.

Note that no payments have been made from the Scheme to the Employer over the period since your last Summary Funding Statement dated May 2022, and there has been no need for intervention from The Pensions Regulator.

### The Scheme’s funding position

For each year you were an active member of the Scheme, you will have built up benefits payable to you on retirement. All contributions paid to the Scheme are held in a common fund known as the Scheme’s assets. The benefits which you, and other members, are entitled to are known as the Scheme’s liabilities.

- If the Scheme’s assets exceed the Scheme’s liabilities, the Scheme is said to have a “surplus”.
- If the Scheme’s liabilities exceed the Scheme’s assets, the Scheme is said to have a “shortfall”.

Every three years, our Scheme Actuary, a qualified and independent professional, will estimate the value of the Scheme’s liabilities using a set of assumptions for the future and compare this with the value of Scheme’s assets. Within each

three year period, the Scheme Actuary will check the funding position of the Scheme annually and report this to the Trustees so they can monitor how the position changes.

## Latest funding information

The latest formal actuarial valuation of the Scheme showed that on 5 April 2021 the Scheme had a surplus as shown below. This is an improvement compared to the last approximate funding update at 5 April 2020 discussed in our previous Funding Statement.

Type of Valuation	Formal actuarial valuation	Annual actuarial update
Date	5 April 2021	5 April 2022
Value of the Scheme's assets	£37,508,000	£37,057,000
Value of the Scheme's liabilities	£35,495,000	£32,889,000
Surplus/(shortfall)	£2,013,000	£4,168,000

The change in the Scheme's funding position since the last Statement is primarily due to:

- Greater than expected returns on the Scheme's assets;
- Contributions paid over the period by the Employer to improve the surplus

The Scheme Actuary's actuarial update report as at 5 April 2022 gives further information about how the funding position has changed. There will be an annual update as at 5 April 2023. The next **full** actuarial valuation is due as at 5 April 2024.

## Financial support for the Scheme

A document entitled the "Schedule of Contributions" is produced following each formal Actuarial Valuation of the Scheme whereby the Scheme Actuary estimates the contributions required by the Employer to meet the cost of providing all benefits in the Scheme.

The Schedule of Contributions is reviewed and updated at each formal Actuarial Valuation.

Whenever the Scheme Actuary estimates there is a shortfall in the Scheme, the Employer will be asked to make additional contributions. These are detailed in the document entitled the "Recovery Plan".

Whilst the 2021 Actuarial Valuation shows a surplus, the Employer agreed to continue to contribute £100,000 per month to the Scheme in order to improve the Scheme's financial position. This was on a discretionary basis and ceased at 31 December 2022. Note that Scheme expenses and PPF levies are paid by the Employer in addition to the above.

## Scheme asset information

The Scheme is a “Final Salary” arrangement and the money to pay for members’ benefits is held in a common fund. It is not held in separate funds for each individual. These funds are invested in line with the agreed “Statement of Investment Principles”. The SIP can be found on <https://members.pensionpal.co.uk/BicPensions>. At the date of the latest audited Scheme accounts, the Scheme’s assets were broadly invested as follows:

Asset type	5 April 2022
Bonds	40%
Diversified Growth Funds	59%
Cash	1%

The Scheme does not invest in any of the LDI funds that caused difficulties for other schemes in September/October 2022.

## Transferring your benefits

If you are thinking of moving your benefits from the Scheme for any reason, the Scheme administrator can provide you with a transfer value. The law now requires specific checks are made before a pension transfer takes place. In certain circumstances, where a risk of a pension scam is identified, further information may be requested from you before the transfer proceeds, you may also be required to speak to MoneyHelper for guidance. You should provide all information that the Scheme administrator requests in full, otherwise there may be delays to the transfer.

If there is a substantial risk of a pension scam, the law requires us to refuse to proceed with the transfer. If any concerns are identified with the transfer, we will write to you to let you know what these are.

Any member whose transfer value is over £30,000 must also take appropriate independent advice before a transfer can proceed.

## Be aware of Pension Scams

One of the most common methods used by scammers to commit pension fraud is through cold-calling. Regulations banning pensions cold-calling came into force on 9<sup>th</sup> January 2019. The new rules mean firms will no longer be able to make unsolicited marketing calls about pension schemes. Firms found flouting the ban will face enforcement action from the Information Commissioner’s Office and could be fined up to £500,000. Despite the cold-calling ban, it is thought that fraudsters may ignore the ban and so it is important to remain vigilant and be aware of the dangers of pension scams. If you receive a call concerning your pension from anyone other than Atkin or the Trustees then hang-up the phone.

### **We strongly advise you to find out about pension scams, how to avoid them and what to do if you suspect a scam**

Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.

Use the Financial Conduct Authority’s ScamSmart website, [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart), to:

- Check an investment or pension opportunity that you’ve been offered and avoid a scam.

- Find out how to protect yourself from the most common types of scams.
- Find out how to watch out for online trading scams.
- Take the FCA quiz - could you spot an investment scam?

**If you suspect a scam:**

- Report to the Financial Conduct Authority (FCA) – by contacting their Consumer Helpline on **0800 111 6768** or using the reporting form at [www.fca.org.uk](http://www.fca.org.uk)
- Report to Action Fraud – on **0300 123 2040** or at [www.actionfraud.police.uk](http://www.actionfraud.police.uk)
- If you're in the middle of a transfer – contact your provider immediately and then get in touch with the money and Pensions Service (formerly the Pensions Advisory Service) at <https://www.moneyhelper.org.uk/en/pensions-and-retirement>

## **Winding-up position**

In the event that the Scheme were to start winding up, the Employer would be required to pay enough into the Scheme to enable all members' benefits to be secured with an insurance company. At 5 April 2021, it was estimated that an additional £5.9m would be required (on top of the value of the Scheme's assets) to secure all members' benefits. If the Employer became insolvent, it may be that the Employer would not be able to pay this amount in full. Under those circumstances, The Pension Protection Fund may be able to take over the Scheme and pay some compensation to members.

Further information is available on the Pension Protection Fund's website at [www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk), alternatively you can write to the Pension Protection Fund at Renaissance, 12 Dingwall Road, Croydon CR0 2NA.

The information above does not mean the Employer is considering winding-up the Scheme. It has been included above as it is required by law.

## **GMP Equalisation**

The Trustees have completed their review and appropriate adjustments have been made to members benefits where applicable.

## **Trusteeship**

The Trustees wrote to members in July 2022 inviting nominations for a Member Nominated Trustee('MNT').

The Trustees would like to announce that David Everitt has been re-elected to serve as an MNT under the Scheme and this will be formally recorded in accordance with the terms of the Scheme.

An MNT serves for 3 years, unless they retire from office, die or are removed in exceptional circumstances. They may stand for re-election once the 3-year term has expired.

## Further information

We would be grateful if you could keep us up to date with any changes in your name or address by writing to us at the address below. If you have any questions or would like any further information, please contact us.

- **Trustees of the BIC UK Pension Scheme**  
c/o Atkin Pensions  
Cornwall House  
Blythe Gate  
Blythe Valley Park  
Solihull  
B90 8AF

The following documents can be provided upon request:

- The **Statement of Funding Principles** sets out the actuarial assumptions adopted in estimating the value of the Scheme's liabilities.
- The **Statement of Investment Principles** details how the assets of the Scheme are invested.
- The **Schedule of Contributions** shows how much is being paid into the Scheme.
- The latest **Trustees' Annual Report and Accounts** shows the Scheme's income and expenditure over the Scheme year.
- The **Actuarial Valuation** details the Scheme's funding position as at 5 April 2021.
- The **Actuarial Update** at 5 April 2022 illustrates the change in the Scheme's funding position since the Actuarial Valuation.

**Trustees of the BIC UK Pension Scheme**

**February 2023**