

National Society for the Prevention of Cruelty to Children (NSPCC) Pension Scheme

Report to members – October 2024

Contents

- Welcome
- Funding Update
- Investment Update
- Communications
- Member Options
- State Pensions
- Trustees and Advisers
- Further Information

Welcome

A warm welcome to this latest NSPCC Pension Scheme newsletter.

Your benefits from the Scheme are valuable and could be one of your biggest sources of income in later life, so it's important you understand how the Scheme works.

In this issue, we'll give you an update on some important developments in the world of pensions, and a summary of ongoing work on the Scheme. We have also covered some details regarding recent changes to our advisers, and an updated 'Privacy Notice' has been included with this newsletter in connection with this change.

We hope you find this newsletter interesting and informative – as always, we welcome your comments and feedback, so please get in touch using the contact details on page 4.

Please also let us know if you're unable to read this letter. We can provide this in alternative formats including braille and coloured paper.

Actions for you

Are you protecting your dependants?

The Scheme provides valuable benefits in the event of your death. Importantly, this benefit is payable at the discretion of the Trustee so it doesn't form part of your estate and therefore isn't subject to inheritance tax, but the Trustee will normally respect members' wishes (subject to the law and the Scheme's rules).

It's important you think about who might receive these benefits, and you should complete an 'Expression of Wish' form which sets out who you would like the benefit to be paid to (you can choose for the benefit to be split between several people). If you haven't completed a form, or your personal circumstances have changed and you wish to complete a new Expression of Wish form, please contact the Scheme's administrators using the details on page 4.

Please be assured the information you provide on the form will be kept confidential.

Change to personal details

It's very important to tell the Trustee of any changes to your personal details, especially your address, to help the Trustees provide your benefits quickly and to ensure the information held by the Scheme is accurate. You can change your details by using the contact details on page 4.

Find your lost pensions

To help with your retirement planning, you'll need to know how much income you might have from all the pension schemes you've been a member of over the years. It can be hard to keep track, so if you've lost touch with a previous pension scheme there's a free Pension Tracing Service that can help. For more information, visit: www.gov.uk/find-pension-contact-details

Funding Update

A formal assessment of the Scheme's funding position as at 31 March 2024 is currently in progress, and the results will be communicated in next year's newsletter.

As mentioned in our previous newsletter, we expect the Scheme to have a funding shortfall, therefore it is likely that we will need to agree a recovery plan with the Society setting out how the funding shortfall will be made good.

The latest Summary Funding Statement for the Scheme can be found on the Trustees' website at: <https://members.pensionpal.co.uk/NSPCCPENSIONS>

This will be updated following the outcome of the 31 March 2024 valuation.

Investment Update

Investment Strategy

The Trustee's objective is to invest the Scheme's assets in the best interests of the members and beneficiaries.

The Trustee has decided to take some investment risk relative to the Scheme's liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the Scheme's liabilities. The Trustee's willingness to take investment risk, and the degree of investment risk, is dependent on the continuing financial strength of the Society and its willingness to contribute appropriately to the Scheme. The financial strength of the Society and its commitment to the Scheme is monitored and the Trustee will consider reducing investment risk relative to the liabilities should either of these deteriorate.

More information regarding the Trustee's investment strategy is available in the Statement of Investment Principles (SIP) which is available online.

Policy on environmental, social and governance (ESG) and climate change

The Trustee believes that good stewardship can have a material impact on the financial and non-financial performance of the Scheme's assets over the medium and longer term. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that require the Trustee's explicit consideration.

Details of how the Trustee's policy on ESG and climate change has been implemented over the year can be found in the Trustee's Engagement Policy Implementation Statement, which is available online on the Trustee's website.

Communications

Website

A significant proportion of the cost of issuing member communications is the mailing cost. Therefore, where we can, we make communications available to you on the Trustee's website: <https://members.pensionpal.co.uk/NSPCCPENSIONS>

It is a legal requirement to make certain documents available online. An example of a such document is the Statement of Investment Principles which sets out the Scheme's investment strategy, investment objectives and investment policies. This Newsletter and the Scheme's latest Summary Funding Statement are also available to you on the Trustee website. We aim to continue building on this by making more documents available to you online.

Payslips

Since January 2022, pensioners only receive a monthly payslip when their net monthly payment changes by £1 or more from the previous month.

Pensioners also receive an annual payslip in April as well as an annual P60 issued by post.

Member Options

Deferred Pension

You can leave the benefits you have earned in the Scheme until you reach your normal retirement age, although it is possible to take benefits earlier or later than this.

Early Retirement

The earliest age from which you can start to draw a pension from the scheme is currently age 55, unless you are retiring on the grounds ill-health (certain conditions apply). The Government intends to increase the earliest age to 57 from 6 April 2028.

Transfer Value

If you have not yet started to draw on your pension from the Scheme, you can choose to transfer benefits to another pension arrangement. This could be a new employer's scheme, or a pension arrangement that you have set up yourself.

However, if you are thinking of transferring you should consider this carefully and take appropriate advice, as it may not be in your best interests. Indeed, where the transfer value is over £30,000, legislation requires you to take financial advice on whether a transfer is the right thing for you to do.

If you would like more information about a transfer, or if you are over age 55 and would like a retirement illustration, then please contact the Scheme's administrators using the contact details on page 4. Note you are entitled to only one transfer value quotation each year before you retire.

Small Pension Lump Sums

For smaller pensions, you may be able to take the whole of your entitlement as cash. Broadly speaking, this option may be available where the combined value of all your pension benefits (ignoring any State Pension) is less than £30,000.

If the value of your benefits under the Scheme is less than £10,000, you may be able to take it as cash without considering other pension benefits.

If you can take your Scheme benefits as cash, 25% would be paid tax-free and the remainder added to your income for the year and taxed accordingly.

Finding a financial adviser

Pensions are complex, and it is not always easy to decide which option is suitable for you. Neither the Trustees nor their advisers can give you advice but a financial adviser can give you advice and help you decide what to do. If you do consult an adviser there will be a charge made for doing so, which you will be responsible for meeting.

One way to find an adviser is to visit:

www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser

You can also find free guidance on pension savings at: www.moneyhelper.org.uk/en/pensions-and-retirement

Be aware!

Pension scams are continuing to entice people with promises to access pension benefits before age 55, and you may have seen or heard adverts warning people about this on the television/radio. For most people, the offer will be bogus and victims could lose most, if not all, of their pension savings. Only in rare cases – such as ill-health – can you take your pension before age 55.

Other scams entice people to transfer to another scheme to benefit from supposedly high returns.

Never be rushed into a decision and be wary of anyone offering a free pensions review. Make sure the adviser is authorised by the Financial Conduct Authority by checking that they're on the Financial Services Register at: www.fca.org.uk/register

If you're concerned, you can call The Pensions Advisory Service on 0800 011 3797 or look at their website: www.moneyhelper.org.uk/en/pensions-and-retirement

More information on pension scams can be found at: www.thepensionsregulator.gov.uk/en/pension-scams

State Pensions

The full State Pension is £221.20 per week for the 2024/25 tax year. Further details about the State Pension can be found on the following website:

<https://www.gov.uk/new-state-pension>

Those who reached State Pension Age before 6 April 2016 will continue to receive their State Pension in line with the 'old' rules. It is the date that you reach State Pension Age that is important, not when you start to receive these benefits. Further details on the 'old' State Pension can be found on the following website: <https://www.gov.uk/state-pension>

The State Pension Age increased in October 2020 to age 66 and it'll continue to increase gradually to age 68 by 2039. You can check your State Pension age by visiting: www.gov.uk/state-pension-age

You are also able to access a forecast of your State Pension. To access this online service, you will need to register on the Government Gateway.

Alternatively, you can request a forecast by post or by contacting the Future Pension Centre who will post the forecast to you. Full details are available at following link: <https://www.gov.uk/check-state-pension>

Who looks after the Scheme?

The Trustee Directors are responsible for looking after the Scheme and for making sure that your interests are protected.

Trustee Directors

Society Appointed Trustees

- PAN Trustees UK LLP (represented by Mrs Lynne Stewart-Brindle) – Chair of Trustees
- Tracey Dawkins

Member Nominated Trustees

- Alex Camm

Scheme advisers

Running a retirement benefits arrangement such as the Scheme requires advice from several different professionals.

In May 2024, the Trustees carried out a review of their advisers and appointed Barnett Waddingham as their new consultant, replacing Mercer. This means that Barnett Waddingham now provide investment advice, actuarial advice, and ongoing consultancy services to the Trustees, and will take on the administration services from 1 November.

Steve Hitchiner FIA of Barnett Waddingham is the individual appointed as the 'Scheme Actuary'. Alongside the Trustee, the Scheme Actuary is also a 'data controller' for the purpose of data protection laws. A Privacy Notice dated June 2024 is included with this newsletter, setting out the data controllers of the Scheme and how we deal with your personal data.


The professional advisers appointed by the Trustee are therefore as follows:

- Actuarial consultant: Barnett Waddingham
- Investment consultant: Barnett Waddingham
- Scheme Actuary: Steve Hitchiner FIA, of Barnett Waddingham
- Covenant adviser: Argyll Covenant
- Administrator: Barnett Waddingham
- Auditors: Harmer Slater
- Investment managers: Mercer Limited, Legal and General Investment Management Limited
- Legal advisers: Pinsent Masons

Further Information

If you have any questions, or would like any more information, please contact:

The Trustees of the NSPCC Pension Scheme
c/o Barnett Waddingham LLP
2 London Wall Place
London EC2Y 5AU
Tel: 020 4603 7134
E-mail: NSPCC@barnett-waddingham.co.uk



Copies of the following documents are available on request, or from the Trustee's website:

<https://members.pensionpal.co.uk/NSPCCPENSIONS>

- Statement of Investment Principles – explaining how the Trustees invest the money paid into the Scheme.
- Implementation Statement – explaining how the Trustees have acted in line with the stewardship and engagement policies in the Statement of Investment Principles during the year.
- Summary Funding Statement – providing details of the Scheme's funding position.
- Trustees' Report and Accounts – showing the Scheme's income and expenditure during each year.
- Trustees' Privacy Notice – detailing how the Scheme uses and protects the personal information that it holds about its members and other beneficiaries.