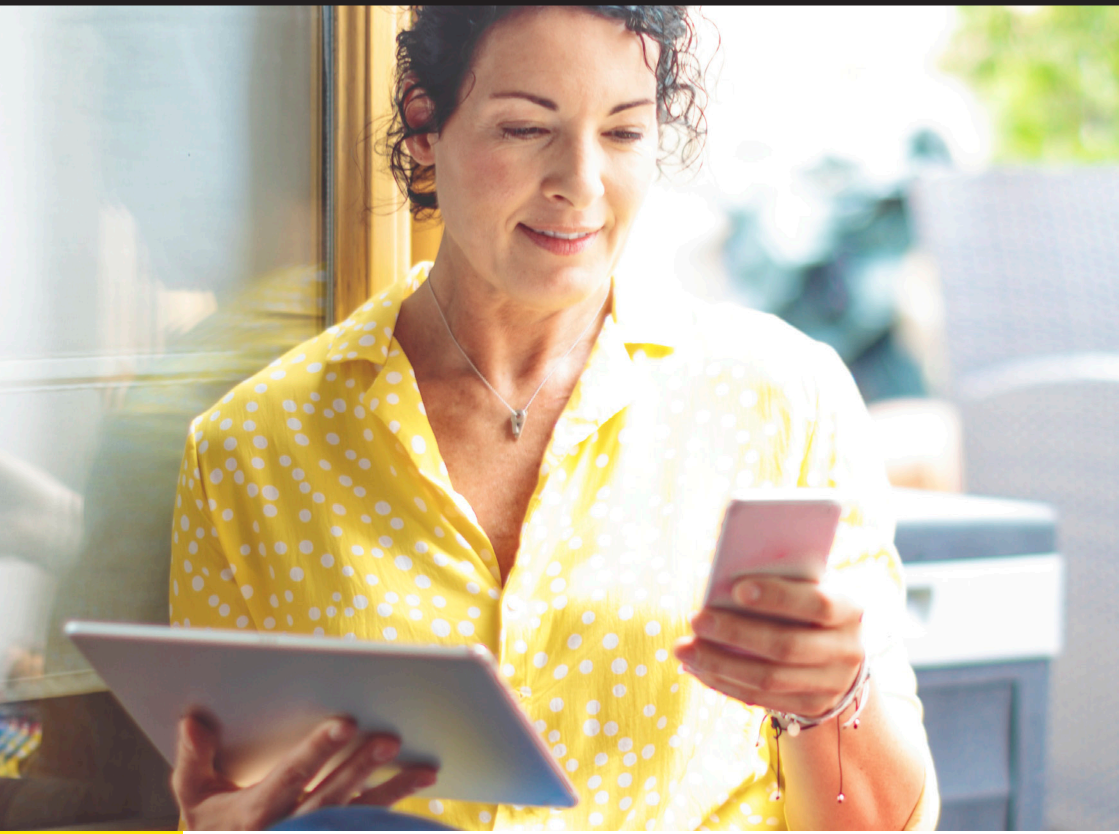
Yell Pension Plan | September 2022

Pensions *news*

Have you registered for My Pension Tracker yet? log on here www.mypensiontracker.co.uk



Inside

An update from the Chair of the Trustee

Welcome to the latest edition of Pensions *news*.

We promised that we would provide shorter more regular updates to include subjects that we think you, as Members of the Plan, will find most interesting.

It continues to be a busy year and the Trustee Board are pleased to have completed the Actuarial Valuation process for 2021 and the Funding Update for 2022. More details on this are included below and the results are set out in the attached Summary Funding Statement.

We will continue to provide more regular updates on the subjects that matter to you. We are already planning the next edition of Pensions *news* where we will provide a reminder of who your Trustee Directors are (the people who are responsible for the Plan on behalf of the Members).

If you have any questions on your benefits within the Plan, or if you have any feedback on this or future editions of Pensions *news*, please get in touch using the contact details on the back page.

John Reeve – Chair of the Trustee
Finsbury Trustee Services
September 2022

Actuarial Valuation

In our April edition of Pensions *news*, we explained that the latest Actuarial Valuation for the Plan as at 5 April 2021 was well underway, and we would provide you with an update.

What is an Actuarial Valuation?

An Actuarial Valuation is a detailed financial health check required by law and provides a snapshot of the Plan's funding position at a set date. It compares the value of the Plan's assets (the money it has invested to pay benefits) with its liabilities (the value placed on the future benefit entitlements for all Members) and helps to identify whether more contributions are required from the employer.

An Actuarial Valuation must be carried out at least every three years. Interim assessments also take place in the years between valuations and are called Funding Updates.

How do we measure the funding position?

In a defined benefit plan like the Yell Pension Plan, each Member is promised a pension and money is set aside to pay those pensions as and when they fall due. The Plan's funding position is the difference between the assets and the liabilities. The values placed on the assets and liabilities can change from time to time, meaning that the funding position may go up or down. If the value of the liabilities is more than the assets that an arrangement holds, that arrangement is said to be in "deficit".

Results of the 5 April 2021 Actuarial Valuation

Included with this newsletter is a Summary Funding Statement which details the results of the Actuarial Valuation as at 5 April 2021 as well as the Funding Update at 5 April 2022.

As at 5 April 2021, on the statutory basis used by the Plan Actuary which includes a number of necessary assumptions (e.g. member life expectancy and future investment returns on the Plan assets), the Yell Pension Plan held more assets than the value placed on the liabilities. Therefore, the Plan had a small "surplus".

A surplus doesn't necessarily mean the Plan has more money than it needs in the longer term. For example, life expectancy of members or the level of investment returns from the assets might be different in practice to the assumptions used in the calculations.

A surplus does, however, show that the Plan's funding position is healthy as at the date of the Valuation. As a result, no contributions are required from the Company at the present time, but they continue to pay the expenses of running the Plan.

The Trustee continues to work closely with its advisers to monitor the Plan's assets and to work towards the long-term security of Members' benefits. We will keep you informed on any developments in future editions of Pensions *news*.

Your Pension is Important!

Have you visited the My Pension Tracker website yet?

For Members who have already registered for My Pension Tracker and where we hold an email address, we continue to issue Pensions *news* electronically.

If you have received a paper copy of this edition it is because we do not have an email address, or you have opted out of electronic communications.

To opt into electronic communications, please log onto My Pensions Tracker to provide your email address. Electronic communication is more efficient, cheaper, better for the environment and importantly more secure.

If you haven't yet registered for My Pension Tracker and wish to do so, please visit www.mypensiontracker.co.uk. For registration details, please contact Premier Pensions using the information on the back page.

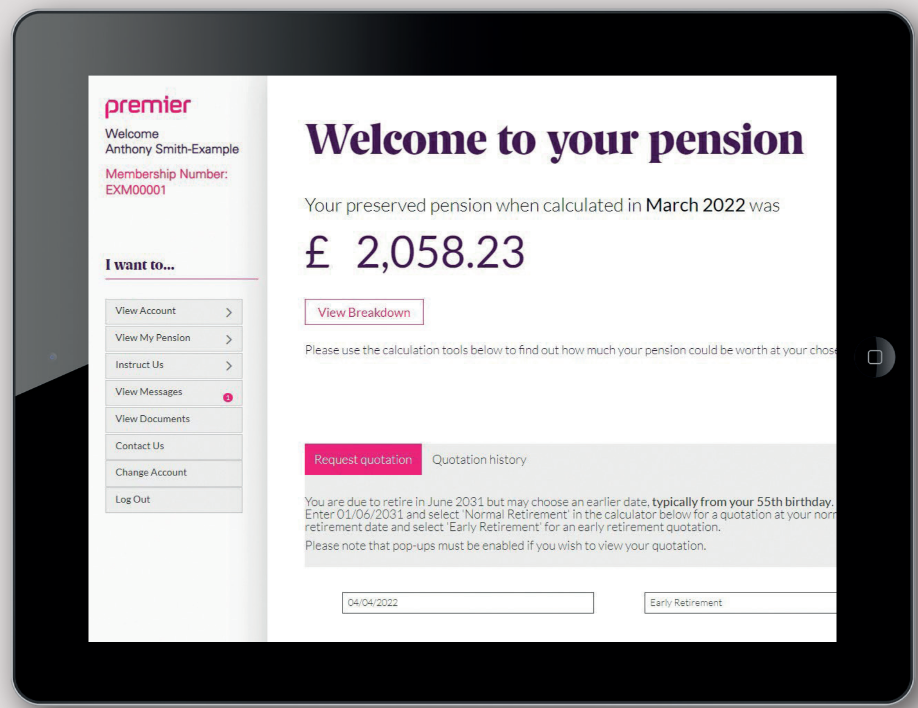
As mentioned in the previous edition, My Pension Tracker provides useful information about your benefits within the Plan. You can use the tools and information to help you understand more about your pension, or the benefits available to you if you've not yet retired.

If you are considering transferring your benefits out of the Plan, it is vital that you understand the implications and you should consult a professional independent financial adviser before taking any action. Please also be aware of the risk of scams as discussed below.

Pensions in payment

If you are in receipt of your pension from the Plan you can use My Pension Tracker to:

- View your monthly payslips and annual P60s,
- View your current annual pension and see how this has increased in the past,
- Update your personal details such as your postal address, email address and who you would like any benefits to be paid to if you were to die.



Think carefully before you take the plunge

Deferred members – transferring your pension – is it worth it??

If money is tight, it is understandable that you may want to transfer the value of your defined benefit pension to another arrangement and start drawing down from it. And if you are currently 55 or over, you are allowed to do so.

But wait...though it is tempting, is it really that sensible? Find out what it could mean for you here:

- The main advantage of your defined benefit pension is that it will pay you a regular income from retirement until you die, followed by a regular income to a surviving spouse or even a dependant. If you give this up now, you are swapping a guaranteed income for life, for money that could run out surprisingly quickly.
- It is estimated that a single person needs an estimated £20,000 a year for a moderate standard of living in retirement*. So, if your transfer value is £200,000, although it sounds like a lot, it might only last about 10 years, and that's without any luxuries.
- And remember, if you take the full amount as cash once you have transferred out, only the first 25% is tax free, so you will have to pay tax on the remaining 75% (tax rates will differ depending on your personal circumstances).
- By law you will have to prove you've taken professional independent financial advice from a Financial Conduct Authority regulated financial adviser before you transfer your pension if the overall value is over £30,000. The cost of independent financial advice can be high (though the implications of making an inappropriate decision may far outweigh this cost).
- If your money runs out, the State Pension is unlikely to be enough to live on comfortably. The full entitlement for a single person is only about half what you would need for a moderate standard of living.

On the other hand, transferring from your pension might not be a bad idea:

- If you have enough money from other sources to fund a sufficient, guaranteed retirement income.
- In exceptional circumstances like extreme ill-health.

Please think very carefully before you take the plunge. It may sound like a great idea for now...but what happens a few years down the line?

Also please be aware of pension scammers. You may think that it could never happen to you, but pension scammers are experts at getting their hands on your hard-earned retirement savings. Scams are hard to spot because fraudsters often have credible websites and make false claims, such as being government-approved, to gain your trust. To avoid being scammed out of your pension speak to an independent financial adviser who is appropriately qualified and regulated before transferring your pension. Find more information at www.fca.org.uk/scamsmart/how-avoid-pension-scams.

Even if your Transfer Value is less than £30,000, the Trustee strongly recommends you obtain independent financial advice if you are considering transferring your pension elsewhere.

Please note that in November 2021, the government introduced new regulations around transfers. Under the new rules, you must provide documents or 'evidence' to verify that the receiving scheme or provider you want to transfer your pension to is secure. The evidence that Premier, the Plan's Administrator, will need to see depends on the type of arrangement you're transferring to.

*Figures taken from retirementlivingstandards.org.uk

Pensions *news* news

Changes to the Minimum Pension Age from 2028

The Government has recently confirmed that the earliest age at which people can normally start to take their pension benefits will increase from age 55 to 57. The change will take effect from 6 April 2028.

If you are thinking about taking a transfer with an expectation that you can start to take benefits from the receiving arrangement prior to age 57, you should consider this and discuss it with your financial adviser.

This change doesn't impact the ability to take pension benefits before the minimum pension age because of ill-health. It also doesn't impact if you already have a 'Protected Pension Age'.

If you have any questions on this matter including whether you have a 'Protected Pension Age' please contact Premier Pensions using the contact details on the back page".

Please make sure your Expression of Wish form is up to date

If you have not already done so, please fill in an Expression of Wish form to tell us about your wishes for who you would like to receive your benefits in the event of your death. Your spouse or dependants may be entitled to a pension or lump sum in the event of your death. If you completed an Expression of Wish form some time ago you should check and if necessary, update your wishes to ensure we have up to date information. Remember to update your Expression of Wish form if your personal circumstances change. The easiest way to fill in the form is online by going to www.mypensionstracker.co.uk. Alternatively, please contact Premier Pensions, using the contact details on the back page.

If you have any questions about your pension or the format of Pensions *news*, please contact the Plan Administrators, Premier Pensions.

Email: YellPensionPlan@premiercompanies.co.uk

Call: **0800 488 0796**
or write to: Yell Pension Plan, Premier, PO Box 108, Blyth NE24 9DY

Thank you for your time to read this latest edition of Pensions *news*, we hope you found it useful!