

Pension News

Welcome to the latest newsletter for contributing, deferred and pensioner members of the United Utilities Group of the ESPS.

Autumn 2022



Help is at hand

We all need extra help at difficult times in our lives. Coping with ill health, disability or mental health problems, not to mention financial worries, age-related issues or language barriers can all be very stressful and worrying.

But did you know that if you're a customer of United Utilities, you can register for Priority Services?

Priority Services is completely free and could help you, your family or your friends benefit from additional support from us so we can respond quickly to those particular needs.

United Utilities can also offer support for those who might be struggling to pay their water bill in these tough times. The increase in energy bills and the cost of living means we're all feeling the pinch. Please get in touch with United Utilities if you're having payment difficulties so they're aware of this and can provide the right support.

For more information on the support available and to register for Priority Services, visit www.unitedutilities.com/help-and-support or call **0345 072 6093** (for priority services) or **0800 072 6765** (for financial difficulties).

Scheme-wide AGM

The central ESPS Annual General Meeting (AGM) will be held 'virtually' on 22 November 2022.

The purpose of the Scheme AGM is to receive the Scheme Annual Report and Financial Statements, the Auditors' Report and the Report of the Scheme Trustee. The Trustee will also conduct any general business including the consideration of any Resolutions proposed by members. Those wishing to attend should register in advance. More details will be available via the central ESPS website www.espspensions.co.uk or by contacting elaine.spriggs@uuplc.co.uk.

Keep us up to date

Your pension is very important! That's why it's essential to keep your contact details up to date.

It means we can pay your benefits promptly and accurately and the Scheme is administered efficiently. You can now update your details any time you like online by registering and logging in to your MyESPS account. Visit www.uuplc.myesps.co.uk to register or log into your pensions account to update your details now!

The Trustee is also working to improve the completeness and accuracy of its records in relation to dependants' details. We have sent you a letter about this, which will arrive soon if it hasn't already. It is important, so please take the time to respond.

Reducing paper waste

The Trustee is looking at ways to reduce its paper usage.

Over time, we intend to start issuing any communications electronically where we can. To consent that you are happy for us to do so, please email UUComms@railpen.com with your preferred email address, name, reference number and address.

Your annual funding statement

At least once every three years the Trustee and their advisers complete a valuation to review how much money the Group has (the ‘assets’) and the money it is likely to have to pay out now and in the future (the ‘liabilities’).

The Trustee and their advisers also use approximate updates to monitor the financial position of the Group in between valuations. The results of the latest valuation as at 31 March 2021, and the annual approximate updates at 31 March 2022 and 31 March 2020, are below.

	31 March 2020 update	31 March 2021 valuation	31 March 2022 update
Assets (money in the pot)	£479.3 million	£498.2 million	£505.2 million
Liabilities (amount expected to be paid out)	£480.4 million	£490.0 million	£484.2 million
Surplus / (Deficit)	(£1.1 million)	£8.2 million	£21.0 million
Funding Level	99.8%	101.7%	104.3%

The Trustee and Company have decided to use the 31 March 2021 valuation surplus to establish a general reserve for de-risking of the investment strategy and as a contingency against future events.

Benefits building up for current contributing members

- The Company pays contributions of 65.6% of pensionable earnings for the cost of future pension benefits
- Current contributing members pay 6% (on average) of pensionable earnings for the cost of future pension benefits

How has the funding position changed since 31 March 2020?

Assets have increased over the period because of changes to market conditions. Liabilities have also increased, though to a lesser extent. In addition, the life expectancy assumptions were updated at the 31 March 2021 valuation, which reduced liabilities. These changes have led to a funding surplus.

What is the wind-up funding position?

If the Group had been wound up at 31 March 2021, the deficit in the assets compared to the cost of securing members’ benefits with an insurance company is estimated to have been £6.8 million, equal to a funding level of 98.7%. We look at this situation to understand the Group’s financial health and the extent to which this relies on the continuing security of the Company. It does not mean that the Company is thinking of ending the UU Group of the ESPS. The Company presents regular updates on its financial position to the Trustee and the Trustee is satisfied that the Company is able and willing to continue its support.

Other information

Legislation requires us to tell you if there have been any payments of surplus to the Company since your last funding statement, or if the Pensions Regulator has modified the Group or given it any directions. We can confirm that there have been no such payments, modifications or directions.

Looking forward

The next formal actuarial valuation is due to be carried out as at 31 March 2024 at the latest.

The Trustee regularly monitors the funding level between formal actuarial valuations and the approximate funding position at 31 March 2023 will be communicated in a future newsletter.

Task Force on Climate-Related Financial Disclosure (“TCFD”)

The Electricity Supply Pension Scheme as a whole is in scope of the climate change governance and reporting requirements from 1 October 2021. It has a scheme year end date of 31 March, so the deadline for the Scheme as a whole publishing a TCFD report is 31 October 2022. However, the Group does not meet the size threshold that requires TCFD reporting and as such has been advised that no regulatory disclosures are required for this period.

For more information on the Scheme’s TCFD report – the Scheme trustee’s identification, assessment and management of climate change risk (to be published no later than 31 October 2022) – please visit www.espspensions.co.uk/#useful-documentation.



Guidance on retirement options

If you're aged 50 or over and request to transfer out or access any defined contribution benefits, you may need to get free guidance on your retirement options from Pension Wise.

The Pensions Regulator introduced this new measure from June 2022 as a way of helping pension scheme savers prepare for their retirement and make better informed decisions about the options available to them.

Pension Wise is a government service run by MoneyHelper. It offers free, impartial guidance about your defined contribution pension and can help you understand the options available when you retire and give you guidance which might suit your personal circumstances.

The Scheme's administrator, Railpen, will get in touch with you to let you know if this applies to you. This will only apply if you pay any Additional Voluntary Contributions (AVCs).

Pension Wise appointments can take place over the phone or in person. If you do not want to take the free guidance, you will need to 'opt out' and let Railpen know.

You can find out more about the services offered by Pension Wise if you go to www.moneyhelper.org.uk and choose 'Pensions and retirement' from the drop down menu.

Want to make your pension easier to manage? Register for an online account today!

Visit www.uuplc.myesps.co.uk to register or log into your pensions account for the United Utilities PLC Group of the ESPS.

When you log into your MyESPS account, you'll have access to the tools and information you need to take control of your future at any time to suit you. It's so quick and easy!

We sent your unique activation code in the post last year. You can use this to access your online MyESPS account. If you don't have your activation code, you can request it from netenquiries@railpen.com. To register, you'll also need your date of birth, National Insurance number and an email address.

Here's what you can do when you register and log in:

- **View your personal record**

Keep track of your pension benefits so you can plan for the future

- **Access important documents**

You can find a copy of your most recent benefit statement, or payslips and P60 forms (depending on your membership type)

- **Complete an Expression of Wish**

Tell us who you'd like to receive a lump sum from your pension if you die before claiming it, so the Trustees can take your wishes into account

- **Update your contact information**

Regularly review your details to ensure you continue to receive important information about your pension.

Go to www.uuplc.myesps.co.uk today and start planning for a better future!



Topical News

Annual Report & Accounts

The Annual Report and Accounts at 31 March 2022 has been audited and signed.

If you would like a copy, please contact Railpen on **02476 472583** or send an email to enquires@railpen.com.

Increase in minimum pension age

The government has confirmed a change to the Normal Minimum Pension Age (NMPA) which is the earliest age that you can usually access your pension savings without being liable for a tax charge.

The minimum age is currently age 55 but this will be rising to age 57 from 6 April 2028. **This change will not affect you if you retire due to ill health, or if you qualified for an earlier protected pension age** (for example if you left UU with severance benefits and your pension is due to be paid at age 50).

Using your voice!



We recently wrote to all active, deferred and pensioner members about a great opportunity – joining the United Utilities ESPS Trustee Board as a member-nominated Trustee Director.

The Board is made up of three member-nominated and three company-appointed Trustee Directors, who are all there to ensure that the Scheme is run correctly for the benefit of all members.

There are two available positions this year. The nomination window has now closed, and in the event that more than two members have put themselves forward, an election will be held in October.

The new Trustee appointments will start at the Trustee meeting on 7 December 2022. We will confirm the names of your new Trustees in your next newsletter.

If you would like further information on the role of Trustee, please visit The Pensions Regulator's website at www.thepensionsregulator.gov.uk/trustees



Pension Dashboards: bringing all your pensions together

Pensions Dashboards is a government-run scheme which will allow you to view all your pension information in one place online. It is expected to improve the way people plan for retirement and help you make the most of your savings.

Pensions Dashboards are being developed over the next few years and we'll let you know in future newsletters when the United Utilities Group of the ESPS is on board.

You'll be able to view all your State Pension information on your pension dashboard too. The date you become eligible, your forecasted State Pension amount and the estimated amount based on your National Insurance record will all be included.

See more information at www.pensionsdashboardsprogramme.org.uk

Looking after your loved ones

Have you made an Expression of Wish? This is where you inform the Trustee where you'd like a tax-free, lump sum to be paid if you die before you've taken your benefits, or if you die within the first five years of retirement.

It's important to do this because if the Trustee doesn't know where the money should go, there could be a delay and it might be taxed, which would reduce the sum considerably.

The good news is that you can now quickly and easily make or update your Expression of Wish yourself online in minutes! Simply sign in (or register if you haven't already done so) to your MyESPS and go to My nominations to get started.

Visit www.uuplc.myesps.co.uk to register or log into your pensions account.

Alternatively, an Expression of Wish form, which can be printed out, completed and returned, can be accessed at www.unitedutilities.com/pensions or by telephoning or emailing Railpen (contact details below, right on this page).



Protecting yourself against pension scams

Watch out! Don't be tricked into transferring your pension into a false scheme and losing all your money! Pension fraudsters can be smart, pleasant, charming and financially knowledgeable. Don't be fooled.

Anyone can be the victim of a pension scam, no matter how financially savvy you think you are. Spot the warning signs and avoid being caught out:

1. Always reject unexpected calls, emails, texts or social media approaches about pensions.
2. Be very wary if you're offered a free pension review.
3. Never allow yourself to be rushed into a decision.
4. If a pension or investment offer sounds too good to be true, it probably is. Steer clear.
5. Do research on anyone offering you financial advice. Check the Financial Conduct Authority (FCA) register at www.fca.org.uk or call 0800 111 6768 to make sure they are FCA-authorised.

Contact details

Railpen – for any queries regarding your pension:

enquiries@railpen.com
02476 472583

Aegon – if you are paying Additional Voluntary Contributions (AVCs):

my.pension@aegon.co.uk
01733 353481

MyESPS personal pension account – to view details of your pension and update your contact information and nomination form:

www.uuplc.myesps.co.uk

UU pensions website – for general information on the Scheme, including the Scheme booklet and other Scheme documents:

www.unitedutilities.com/pensions

Useful Information



Sustainability

Managing the Scheme in a sustainable and responsible way is a priority for the Trustee. This includes the investments made to protect the long-term value of pension savings, as well as the way we work as a Board. Some examples of activity in this area include:

- Monitoring climate-related metrics such as the carbon footprint of our investments
- Making sure that our investment managers consider environmental, social, and governance factors in their decision-making
- Adding a new sustainable investment fund to the range available for Additional Voluntary Contribution (AVC) payments
- Engaging with the sponsoring employer to discuss the employer's corporate responsibility approach and its environmental policies and practices, including "net zero" emissions commitments.

You can read more about this in our annual Implementation Statement (www.unitedutilities.com/pensions)

Where to get guidance and support on your pension

Pensions are so important but they can be tricky to fathom at times. If you need extra help, the following organisations will be useful.

www.gov.uk

Government information and services across a wide range of subjects, including State Pension provision

www.gov.uk/state-pension-statement

Government site to get a quotation of your State Pension and check your State Pension age

www.gov.uk/government/publications/easy-read-new-state-pension

Government site where you see an easy-read guide to the new State Pension

www.moneyhelper.org.uk

MoneyHelper, from the Money and Pensions Service (MaPS) brings together the support and services of 3 government-backed financial guidance providers:

- Money Advice Service – free and impartial money advice
- Pensions Advisory Service – impartial guidance for people with workplace and personal pensions
- Pension Wise - service providing guidance about defined contribution (DC) arrangements (including AVCs) for those aged over 50

www.fca.org.uk

The Financial Conduct Authority (FCA) is the UK's financial regulator. Firms and individuals must be authorised or regulated by the FCA to carry out certain activities. You should always check the FCA register or call 0800 111 6768 to make sure anyone offering you financial advice is FCA-authorised.

www.thesilverline.org.uk (or call 0800 470 8090)

Free website and 24-hour helpline providing information, advice and support for older people

