

Pension News

Welcome to our latest newsletter, for all members
of the UU PLC Group of the ESPS

Autumn 2020

Welcome to the Autumn update newsletter for contributing, deferred and pensioner members of the UU Group of the ESPS.

The second of this year's newsletters gives you a short update on some of the key things you need to know about your ESPS pension.

Scheme-wide AGM

The central ESPS Annual General Meeting (AGM) will be held "virtually", using electronic meeting software, on Monday 23 November 2020. The purpose of the Scheme AGM is to receive the Scheme Annual Report and Financial Statements and the Auditors Report, receive the Report of the Scheme Trustee, and conduct any general business including the consideration of any Resolutions proposed by members.

Further details can be obtained by contacting elaine.spriggs@uuplc.co.uk

Annual Report & Accounts

The Annual Report & Accounts at 31 March 2020 has been audited and signed – RPMI can provide a copy on request.

Funding Video

The funding video for 2020 is now live on the UU pensions website. The video gives a snapshot of the Group's funding position as at 31 March 2020, and can be accessed at www.unitedutilities.com/pensions



Contact details

RPMI – for any queries regarding your pension:
enquiries@rpmic.co.uk
02476 472583

Aegon – if you are paying Additional Voluntary Contributions (AVCs):
my.pension@aegon.co.uk
01733 353481

UU pensions website – for general information on the scheme, including the scheme booklet and the recently updated 'Statement of Investment Principles (SIP)':
www.unitedutilities.com/pensions



Pensioner Christmas pay date

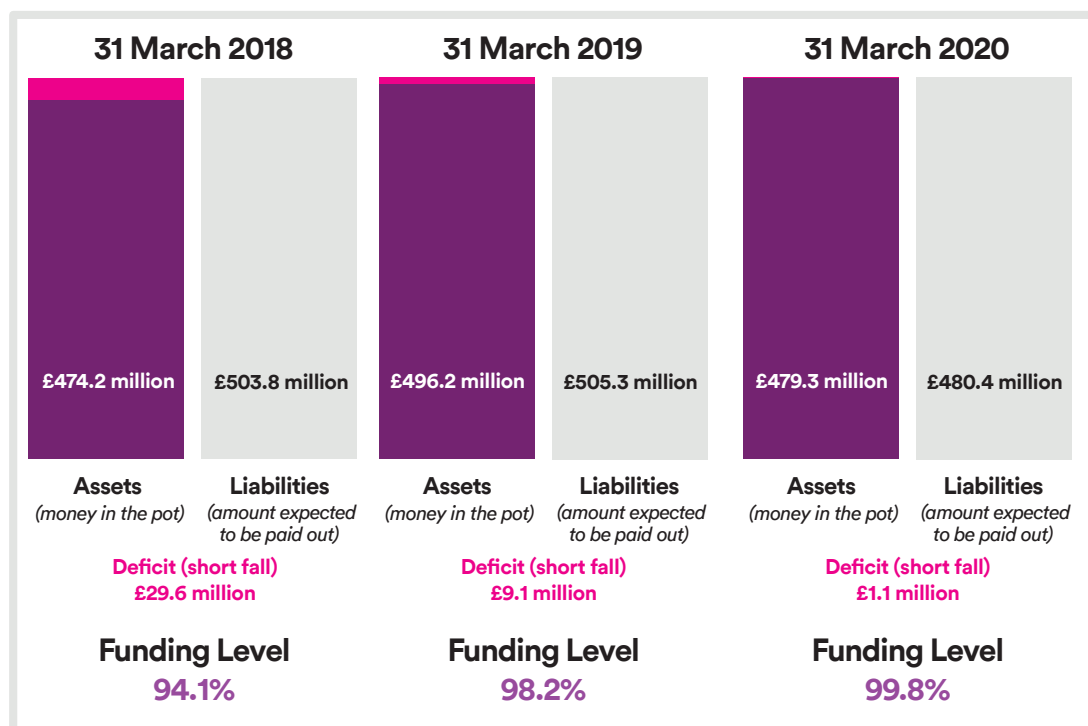
Retired members receive their monthly pension payments on the last working day of the month, with the exception of December. The pay date for December 2020 will be **Friday 18 December**.



**MORE
REWARD**

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 2018, and the annual approximate updates at 31 March 2019 and 31 March 2020, are shown right.



What are the Trustee and Company doing to continue reducing the deficit?

In Spring 2019 the Company made advance payment of the deficit reduction contributions due for the period April 2019 to September 2024 as two lump sum amounts totalling £21.438m. The deficit remaining following payment of these lump sum contributions will be funded through returns from the Group's investment strategy over the period to September 2024.

Benefits building up for current contributing members

- The Company pays contributions of 60.9% 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 2019?

Liabilities have decreased over the period, mainly due to a rise in the discount rate net of inflation and the payment of benefits. The assets have also decreased, though to a lesser extent mainly because of the accelerated deficit repair contribution paid by the Company in April 2019. This has led to a reduction in the deficit.

What is the wind-up funding position?

If the Group had been wound up at 31 March 2020, the deficit in the assets compared to the cost of securing members' benefits with an insurance company is estimated to have been £70.2 million, equal to a funding level of 87.2%. 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 in the last 12 months, 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 2021 and discussions will begin between the Trustee and the Company in early 2021.

