

Emerson UK Pension Plan (the Plan)

PENSION NEWS 2019

The newsletter for members of the defined contribution (DC) section of the Emerson UK Pension Plan (the Plan)



CONTENTS

Chairman's introduction
The Trustee and its advisers
Staying in touch
Financial review and investments
Brexit
DC harmonisation
DC contribution increases

Outcome of consultation
Capita move - Leeds to Glasgow
Retirement planning and reminders
The new Money and Pensions Service
Other useful websites
General Data Protection Regulation (GDPR) – looking after your data
Where to get help

CHAIRMAN'S INTRODUCTION

Welcome to the latest edition of Pensions News in which we share with you a variety of articles to keep you informed and help you make pension-related decisions.

2018 was a busy year for the Plan. Following a successful Member Nominated Director (MND) selection held during the second half of 2018, we are pleased to announce that Sharon Love (active member), Ashley Munden (active member), Paul Smith (active member) and George Amabile (pensioner member) have been appointed as our new MNDs with effect from December 2018. At the same time, we said goodbye to MNDs Dennis Wells and David Noonan, two long-serving members of our Trustee team. We would like to say thank you to both Dennis and David for all their hard work and commitment on behalf of all members of the Plan. We wish them the very best for the future.

We also bid a fond farewell to Alan Burridge who, after many years, retired from his role as the Trustee Secretary during June 2018. We wish Alan a very happy retirement.

The Trustee Board remains committed to running the Plan efficiently and in line with its rules and with legislation – whilst looking after its members' interests. We hope you enjoy reading this Trustee Newsletter and that it helps you stay up to date with your pension and the Plan. If there are any items that you would like to see covered in future issues, please let us know, via the Plan administrators, using the contact details on the back page.



The Trustee and its advisers

The Plan is run by a corporate Trustee – Emerson UK Trustees Ltd. The Trustee’s role is to act in the best interest of all members and beneficiaries and to ensure that the Plan is run properly and in accordance with the law. To do this the Trustee currently has 12 Trustee Directors:

Company-nominated	Member-nominated
David Meade, Chairman	George Amabile
Martin Fernandez	Sharon Love
John Gallagher	Ashley Munden
Phil Lamb	Paul Smith
David Rabe	
Jeremy Rowley	
David Shingler	
Willy Vandormael	

The Trustee Directors appoint various professional advisers to ensure the Plan is run to the highest possible standards:

Actuary	Edwin Sheaf, Willis Towers Watson Limited
Administrator	Capita Employee Benefits Limited
Secretary to the Trustee	Willis Towers Watson, represented by Pam Sohi
Custodian	Northern Trust
Auditor	KPMG LLP
Investment managers	Legal & General Investment Management and Royal London
Solicitor	Baker & McKenzie
Investment adviser	Willis Towers Watson Limited

Staying in touch

We are making a move towards paperless communications! If you would like to receive future newsletters in a digital format, we will need your email address. All you need to do is complete and return the postcard that has been enclosed with this newsletter. You can also go online to complete your information at: www.oneemersoninfo.co.uk

FINANCIAL REVIEW AND INVESTMENTS

Summary account for the year ended 31 March 2018 (DC section only):

Paid in	£000s
Company contributions	4,831
Employee contributions	4,894
Transfers in	16,831
Other income	21
Total paid in	26,577
Paid out	£000s
Benefits paid or payable	-268
Payment to and on account of leavers	-5,857
Total paid out	-6,125
Net additions/(withdrawals) from dealings with members	20,452
Returns on investments	£000s
Change in market value of investments	-1,214
Net returns on investments	-1,214
Net increase in the Plan during the year	19,238
Transfers between sections	21
Net assets of the Plan as at 1 April 2017	75,550
Net assets of the Plan at 31 March 2018	94,809

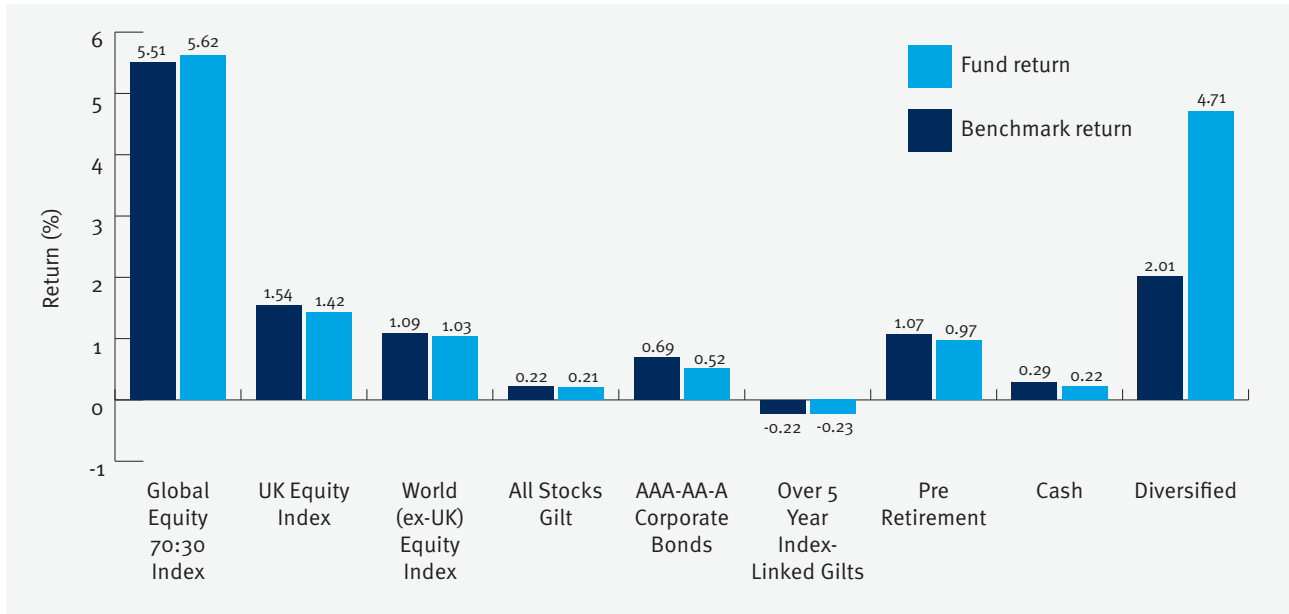
Membership statistics for the DC section:

	Active members	Deferred members	Pensioner members	Total
Members at 1 April 2017	1,642	1,393	-	3,035
Members at 31 March 2018	1,839	1,999	-	3,838

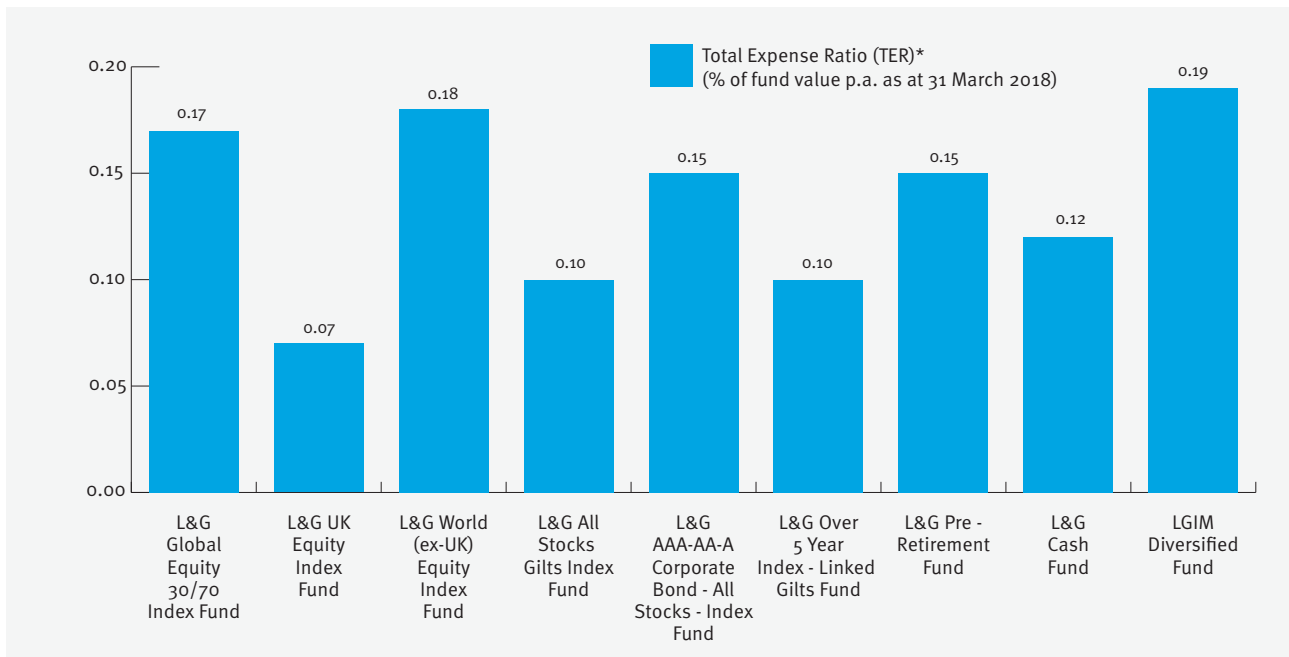
Please note that due to reporting deadline, the opening figures have been adjusted when compared to previous years.

This section gives you a brief overview of the investment returns at 31 March 2018 in each of the funds available to you in the DC Plan.

The table below shows the time weighted returns from DC section assets over the last 12 months:



Management charges



* The TER provides investors with details of the total annual costs involved in running an investment fund. This includes the annual management charge, plus other charges incurred in administering the fund (these include share registration fees, legal fees, auditor fees, custodian fees etc.). Trading costs are not included.

You can view details of the investment funds via www10.landg.com/SAuthGateWeb/login.html

BREXIT AND RECENT CHANGES

Brexit

It's understandable that members of the Plan might be worried about what Brexit will mean for the UK in the near future. The process of leaving the European Union still remains undecided, but you may still be concerned about the impact this might have on your pension over the short to long term.

When the result was announced in 2016, there was an immediate impact on the financial markets, but since then, prices have returned to normal and the dip may have been a short-term reaction.

If you have any further questions or need guidance about your investments, we recommend you contact an independent financial adviser (IFA). The Plan can only speculate and make plans for different eventualities in the coming years. There is a helpful article here: <https://www.lv.com/pensions-retirement/articles/brexit-and-your-pensions>

DC harmonisation

The Corporate global 'OneEmerson' strategy has made its mark on benefit provision at each and every one of Emerson's UK businesses culminating in the end of a 60 day consultation period on 12 March 2019.

A program of benefit harmonisation that began over a year ago has successfully concluded and includes the consolidation of nineteen different DC Pension Plans into just two, the existing 2016 DC Plan and the brand new OneEmerson DC Plan.

From April 2019, almost all of Emerson's 1,900 current UK employees, and all new hires, became members of a market competitive single DC Plan that offers a much improved minimum employer contribution rate that by virtue of a contribution matching structure can be increased to a highly attractive maximum employer contribution. The Company has expressed its thanks to the many employees who contributed to the consultation process with over 450 comments received on a wide range of benefit issues.

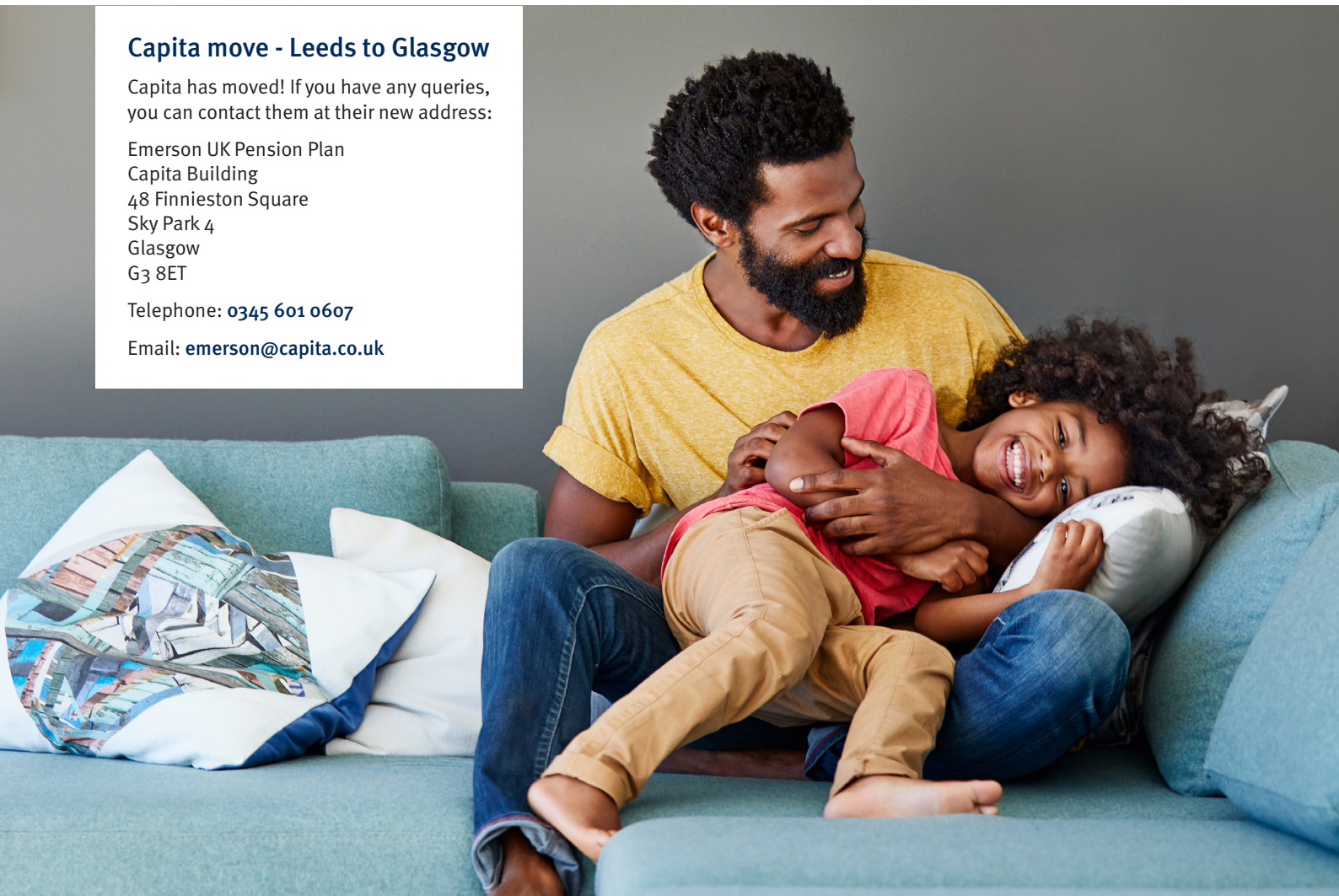
Capita move - Leeds to Glasgow

Capita has moved! If you have any queries, you can contact them at their new address:

Emerson UK Pension Plan
Capita Building
48 Finnieston Square
Sky Park 4
Glasgow
G3 8ET

Telephone: 0345 601 0607

Email: emerson@capita.co.uk



This section explains things to think about no matter where you are on the road to retirement. You should read this carefully and act where necessary. It's never too early to organise yourself by having your affairs in order. Make sure that your loved ones do not struggle if you're no longer around.

Whether you are counting down the days to retirement or if the thought of it is just starting to appear on the horizon, it is likely that you will have some important questions:

- When can I retire?
- What are my choices?
- How do I inflation proof my income?
- How do I claim my State Pension?
- How much income will I need?
- What other things do I need to think about?

You can find answers to questions regarding general pension information at: www.moneyadvice.service.org.uk/en

Your Will

A formal Will is often one of the simplest ways of ensuring that your estate will be dealt with according to your wishes. It is important that you keep it up to date and inform your chosen executors of its existence. A Will is especially useful if you have a large family, a large estate or a series of bequests.

Grant of Probate

Your loved ones may need to apply for a Grant of Probate if you have a Will, or letters of administration, if a Will does not exist, in order to legally deal with your estate. There are occasions when Probate may not be required for example; if you have an asset, like a bank account, valued less than £5,000 or if you only own joint assets, Probate should not be required.

Bank accounts

Whether you have a joint account, or an account in just your name, the bank will need to be informed of your death. If you have a joint account this will usually be transferred over into the surviving holder's name. Any account just in your name will normally be frozen so that no more money can be removed from it.

Paying the bills

The Utility and insurance companies will also need to be informed so that they can continue to supply to your home and bill your survivors.

Life insurance

You have spent a long time paying towards these policies for this exact reason so make sure someone knows about them.

Expression of wish form

In the event of your death, the Trustee is responsible for deciding to whom any discretionary death benefits should be paid. You can help the Trustee with this decision by completing an expression of wish form. This is the most effective way to ensure your loved ones receive your benefits when you die.

Your personal circumstances may change over time and who you would like to receive your pension when you die may also change. Therefore, it is important that you keep your expression of wish form up to date at all times. The form also allows you to add any additional information you feel would be relevant for the Trustee to know when determining your beneficiaries.

Out of date forms, that do not match up with the member's wishes when they die, can cause lengthy investigations by the Trustee into who should receive their death benefits. This can in turn cause delays in paying these benefits.

It is important to make sure all your personal information is up to date, so we can ensure you are provided with accurate information about your pension and to help us to pay your benefits on time.

RETIREMENT PLANNING AND REMINDERS

Pension scams – cold calling

In January 2019, pension cold calls became illegal. If anyone calls you about your pension, it could be an attempt to steal your savings. New data has revealed that pension scam victims have lost £91,000 on average to criminals. It is our responsibility to make sure you are ScamSmart aware. If you would like more information, visit: www.fca.org.uk/scamsmart

The new changes to pensions that represent freedom, choice and flexibility can also represent confusion and vulnerability, which inevitably leads to honest people not realising what is happening and this is where the scammers will take advantage. We urge you to please take care to protect yourself against pension scams.

If you are approached with any of the following, then it is highly likely you are dealing with a scammer:

- Free pension review
- One-off investment opportunity
- Legal loopholes
- Pension loans
- Early pension release
- Pension selling
- Cashing in your pension
- Pension liberation

The Pensions Regulator (TPR) has listed some common tactics used by scammers which include:

- A cold call (now illegal), text messages, website pop ups, or door salesmen offering any of the above opportunities
- Convincing marketing materials promising over 8% returns
- Paperwork delivered to your door by courier that requires immediate signature
- A proposal to put your money in a single investment
- Claiming that you can access your pension before age 55
- Transfers of your money overseas

They recommend four top tips to avoid being caught in a scam:

1. Never be rushed into a decision
2. Check the adviser is approved by the Financial Conduct Authority (FCA) at: <https://register.fca.org.uk>
3. If you have already accepted an offer, speak to Action Fraud on **0300 123 2040**
4. Understand what is available to you. Use the free resource, Pension Wise, if you are over 50: www.pensionwise.gov.uk

Remember: if it sounds too good to be true, it probably is!

The Annual Allowance (AA)

This is the amount you can add to your pension benefits each year without incurring a tax charge.

For the 2019/20 tax year, most people will have an AA of £40,000.

If you are a high earner (e.g. if your income excluding pension costs is over around £110,000 per year), you may have a lower, tapered AA. You can check if this applies to you at: www.tax.service.gov.uk/pension-annual-allowance-calculator

You can also carry forward any unused AA for up to three years. This allows you to have pension savings in excess of the AA in a certain year and pay no tax. The AA for the current tax year must be used before any previous years' AA is carried forward.

Please contact Capita, whose details can be found at the end of the newsletter if you would like to arrange this.

The Lifetime Allowance (LTA)

This is the total amount of retirement savings you can build up over your working life without incurring an LTA charge.

It includes the value of the benefits you build up in all registered pension schemes, and not just the benefits in the Plan. The State Pension does not count towards the LTA.

In the 2019/20 tax year, the standard LTA is £1.055 million. If your pension savings exceed the LTA, this could result in a tax charge of 55% on the excess (25% if you take the excess as regular income). Not many people are affected by this, but if you think you are, you can find out more at the HM Revenue and Customs website: www.hmrc.gov.uk

Alternatively, you may wish to consider taking advice from a professional financial adviser.

Remember: it is your responsibility to monitor your position against the pension tax allowances.

Money Purchase Annual Allowance (MPAA)

This applies to defined contribution (DC) savings only, including DC additional voluntary contributions (AVCs). If you have started to access any DC retirement benefits flexibly elsewhere, such as through flexible drawdown, and want to continue paying contributions to the Plan, your AA will reduce to £4,000. You will need to notify Capita that you have flexibly drawn benefits elsewhere and they will provide information about your MPAA.

The new Money and Pensions Service

In January 2019, three existing providers of government-sponsored financial guidance merged to form the single financial guidance body which has now been named the Money and Pensions Service. You may already be familiar with the likes of the Money Advice Service, Pensions Advisory Service and Pension Wise who already deliver debt advice, money guidance and pensions information online.

Having the Money and Pensions Service is great news as it provides you with a 'one-stop shop' that houses everything in one place. You'll have access to various topics such as workplace pensions, day-to-day money management and overall financial education. Best of all, the information will be free and impartial for anyone that needs it.

The new body will work alongside the government and the FCA to ensure the information is regulated to protect you.

The Money and Pension Service's main aims are:

- To develop people's financial capability
- To improve debt management among UK citizens
- To provide financial education to children and young people

When you are making important financial decisions, it is essential that you have easy access to the information before making an informed decision. If you need some extra help, you can find some from an independent financial adviser at: www.fca.org.uk/consumers/finding-adviser

You can visit: moneyandpensionsservice.org.uk for more information.

OTHER USEFUL WEBSITES



Age UK — www.ageuk.org.uk

Information about pensions as well as a free advice line.



Citizens Advice — www.citizensadvice.org.uk

Free, independent and confidential guidance online as well as your local Citizens Advice centre.



Financial Conduct Authority (FCA) — www.fca.org.uk

The FCA regulates financial service firms and financial markets in the UK. They aim to make markets work well – for individuals, businesses and for the economy as a whole.



Money Saving Expert — www.moneysavingexpert.com

Founded by journalist Martin Lewis, this website aims to provide information and articles that could save you money and includes areas such as pensions and finance.

General Data Protection Regulation (GDPR) – looking after your data

On 25 May 2018, new laws about how we look after your data came into force known as the GDPR. They require the Trustee to have a specific plan for how the Plan administrator looks after your data, including any data which is shared with any third parties. The Trustee documents the decisions taken to keep your data secure and maintain a formal data protection policy for the Plan.

In line with existing requirements, the Trustee and any third parties only collect data that is necessary for administering the Plan. Members are entitled to receive more detail about how their data is held, for how long it is to be held and must have a right to access it on request.



WHERE TO GET HELP

If you have any questions about anything in this newsletter, or your benefits in general, please contact the Plan Administrator, Capita Employee Benefits Limited.

You can also contact the Plan Administrator if you would like to see the full Report and Accounts, from which the summary on page four is taken.

Emerson UK Pension Plan
Capita Building
48 Finnieston Square
Sky Park 4
Glasgow
G3 8ET

Telephone: **0345 601 0607**

Email: **emerson@capita.co.uk**

Hartlink Online portal

You can log in to Hartlink Online here at: **www.hartlinkonline.co.uk/emerson**

Here you can securely view and check your pension information in respect of the Plan. The portal also provides you with access to further details regarding the Plan, the option for you to update information. If you have forgotten your details, you can request a reminder here as well. There is also a pension fund modeller that you can check out.



