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2022 Edition

# PensionNews



## Scam Special

Learn how to spot and avoid scams,  
and how your Trustees have  
new powers to help protect you

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# News from the Chairman of the Invensys Pension Scheme (IPS) Trustee

Dear Member,

### We are making sure your pension is secure

We are living in challenging times. The ongoing conflict between Russia and Ukraine, as well as being a humanitarian disaster, is causing worldwide turbulence in investment markets. Meanwhile the cost of living, including rocketing food prices and fuel bills, is making life more difficult.

Amongst all the challenges, making sure your pension is secure is our top priority.

### A stable funding level

In the last newsletter, we explained that the Scheme was conducting a formal valuation.

Every three years, pension schemes that provide defined benefits must ask their actuary to:

- perform a full valuation of the scheme's liabilities, and
- compare this to the actual value of the scheme's assets.

In April 2022, after full consultation with the Company sponsor, the valuation of the Scheme as at 31 March 2021 was agreed.

The economic aftermath of the Covid-19 pandemic has led to external market volatility that has affected all pension schemes. However, I am happy to confirm

that our Scheme has maintained a stable funding level. As at 31 March 2021, the Scheme's total assets of £4,828m exceeded its estimated liabilities of £4,815m by £13m – a funding level of 100.3%.

Each year our Scheme Actuary provides an update to the formal valuation. As at 31 March 2022, using the March 2021 actuarial assumptions, the assets of the Scheme were £4,579m and the liabilities were estimated to be £4,516m. This indicated that the Scheme had a surplus of £63m and a funding level of 101.4%.

You can find more details on the financial performance of the Scheme and the actions taken by the Trustee during the year in 'This Year in Summary' on pages 8-13. This section contains more details of the 2021 triennial valuation, as well as the investment performance and strategy.

### New powers to tackle pension scams

In November 2021, the Pensions Regulator (TPR) published new regulations increasing trustee powers to refuse transfer requests if a scam is suspected. We welcome the clearer legislation and have made sure that the checks our administrator carries out are in line with best practice. However, this has created more work and we have seen an increase in the time it takes to process a transfer. Please bear this in mind if you decide to transfer out of the Scheme.

On pages 4-7 we explain our new powers and what they mean for you. We give a comprehensive overview of scams and what you can do to avoid them. We have also signed up to the Pension Scams Pledge and you can find more information about this on our website: [invensypensions.co.uk/transfer-news](https://invensypensions.co.uk/transfer-news)

### Trustee Board update

In April, we invited applications from members to fill two vacancies for Member Nominated Directors. We were pleased with the response, with more than 80 candidates taking the time to apply for these important and challenging roles. We will publish details of the new Trustee Directors on our website once they are formally appointed.

So look out for their profiles on the Scheme's website and we will also feature them in future issues of IPS News.

In last year's newsletter, we promised to introduce one of our company-nominated directors, Andy Smith. Our interview with him is on page 14.

### Thank you to the Board

I am grateful to the Board for their effort and enthusiasm as they continue to tackle demanding technical issues and oversee significant projects in order to meet the Trustee's responsibility of providing a safe and secure Scheme for its members.

I would particularly like to thank our long-serving Directors Nigel Casson-Moss and Nathan Blackwell, who retired from the Board during the year.

### Newsletter survey

You may notice a few small changes to the format of your newsletter. This is in response to the survey we carried out in October last year. You told us the most popular item after this Chairman's introduction was the pensions news section, so we have put our guide to pension scams up front in this issue. There is a summary of the survey results on page 15.

### Online access

All members have the option of using **MyPension.com** to gain access to a secure website that provides you with your Scheme pension information. Most of you can check the estimated value of your deferred pension and its cash equivalent transfer value, as well as updating your personal details. If you are a pensioner, you can see your payslips and P60. You can also securely access information such as retirement options instead of it being posted to you. If you would like to know more about **MyPension.com**, see page 18.

As always, if you choose not to access your Scheme information this way, you can still expect a great service from us.

### Complaints procedure update

We have recently updated our Internal Dispute Resolution Procedure (IDRP). Please see page 15 for more details.

### Any questions?

If you have a question about your pension, look at our How-to guide on page 16. Among other things, we explain how we use your personal details to check for fraudulent activity, and how inflation may affect your pension. Our retirement timeline on page 19 tells you when you can expect to receive important updates. You can also visit our website or call our helpline. All the details are on the back cover.

I hope you enjoy reading this newsletter. Please let us know what you think about it by emailing [invensyspensions@xpsgroup.co.uk](mailto:invensyspensions@xpsgroup.co.uk)

### Kathleen O'Donovan

*Chairman of the Trustee of the  
Invensys Pension Scheme*



# Scams – the modern plague

Scams, including pension scams, could be considered a modern plague. There are millions of them, they continually spread and evolve, and they can seriously damage your financial health.

In this ‘scam special’ we look at the various forms scams can take and remind you of ways to avoid them. We also outline the new powers your Trustees have to help prevent members being scammed when they transfer out.

On top of this we give examples of real-life scams our members have encountered. The names have been changed, but the details are genuine.

### What is a pension scam?

Pension scams involve fraudsters stealing people’s pension money or diverting it to inappropriate investments. Pension scams often start with someone offering help with your pension. They will then invite you to transfer your pension savings to them, generally with some kind of ‘unmissable’ offer.

Too many people continue to fall victim to pension scams. According to figures from the Financial Conduct Authority (FCA) and The Pensions Regulator (TPR), more than £30 million was lost to pension scammers between 2017 and 2020, and a further £2 million in the first half of 2021. Scam victims lost an average of £51,000 each. We believe the actual figure is likely to be substantially higher, as these are only the cases that are reported.



## Sophisticated scammers

Scammers are becoming ever more sophisticated and scams may take many forms. These are some of the most common.

- 'Free pension reviews' – often appearing to come from a Government service such as MoneyHelper or Pension Wise. These organisations will not approach you to offer pension reviews.
- Claims that you can 'release money' from your pension savings before age 55 (the current minimum age for taking pension benefits). Except in very limited circumstances such as severe illness, this will attract 'unauthorised payment' tax at a rate

of 55%. So you could lose your pension savings and find yourself facing a huge tax bill.

- Promises of 'guaranteed' investment returns. There is no way to guarantee investment returns.
- Invitations to transfer money overseas, which makes it harder to trace.
- High-pressure tactics, such as sending documents by courier for signing. Any reputable organisation would give you time to think.
- Some scams involve legitimate, regulated pension schemes, but with complicated investment and fee arrangements designed to hide risky investments with high charges and commission. This is known as 'skimming'.

### Skimming scam

*Here is an example of a skimming scam.*

Robert was working overseas when a financial adviser contacted him via LinkedIn, offering the opportunity to transfer his pension savings to a UK-based self-invested personal pension (SIPP).

The financial adviser was based in Dubai. He claimed the SIPP was a safe option for Robert's pension savings, and that he could obtain a UK report so Robert could satisfy the UK legal requirements for a transfer. The adviser didn't mention fees or commission.

When we looked into the transfer we found that, although the SIPP was UK-based, it was set up to hold complicated overseas investments that were very high risk, and had large ongoing fees.

Robert was shocked to find that the adviser would receive a commission of £30,000 just in the first year. This commission would come directly out of Robert's pension pot, immediately reducing the amount available for his retirement. What was more, Robert would not be able to access his own pension savings for 10 years without incurring a huge penalty. It turned out that the adviser was neither regulated by the FCA, nor authorised to advise on UK pension transfers.

So in this case, the 'scam' element was with the adviser, not the receiving scheme itself.

### Facebook fraud

*Here is an example of false advertising on social media.*

Gerry was intrigued by an advert that popped up on his Facebook news feed. It claimed there were lots of problems with defined benefit (DB) pensions. These are pensions based on your salary and the number of years you built up the benefits and make up most pensions in our Scheme.

The advert suggested DB pensions were 'frozen', losing value and performing poorly, and that there would be nothing for your dependents when you died. It promised to 'unlock the potential of your pension'.

Gerry thought this was worth looking into further, so clicked on the link and put in his contact details. A few days later an adviser called him and, after discussing his pension, recommended a transfer.

When Gerry contacted us to request the transfer, we explained that the advert was lying. The scammers had been relying on people not knowing much about DB pensions.

Gerry's pension was not frozen but increasing year on year. Most DB pensions are required to increase each year. Most DB pensions, including ours, also pay partner's and dependents' pensions.



## Avoiding pension scams

Scammers are clever and pension scams may not always be obvious. Here are some tips for avoiding losing your money to one.

- Ignore or reject any unsolicited approaches offering help with your pension, even if they seem to know details about you. It is surprisingly easy to find out personal details online. If the contact is by phone, this is known as 'cold calling' and is illegal in the UK.
- Never click on links in emails, text or social media messages. Not only can this make your personal details available to scammers, you could also be downloading viruses or malware on to your phone or computer.
- Before you use an adviser to help with your pension planning, even if they have been recommended by friends or family, check they appear on the FCA's register of authorised and regulated financial advisers – [register.fca.org.uk](https://register.fca.org.uk). You should always use the contact details from the FCA register, as scammers can create 'clone' websites and masquerade as legitimate firms.
- You can also check whether any offer you have been made about your pension appears on the FCA's warning list of known scams.

## Scam-stopping powers

In last year's newsletter we told you about the measures we'd already introduced to help reduce scams when members transfer out. As a reminder, these were:

1. a scams identification call with our administrators, XPS
2. membership of the Pensions Industry Scams Forum
3. Trustee training on pension scams

We've also signed up to the Pensions Regulator's Pledge to Combat Pension Scams. You can find more information about this on our website: [invensyspensions.co.uk/transfer-news](https://invensyspensions.co.uk/transfer-news)

In the past it has not always been possible to stop suspicious transfers, as members had a statutory right to transfer.

Now, thanks to the 2021 Pension Schemes Act, we have the power to stop transfers that look as if they could be scams. The new regulations introduce a system of 'amber flags' and 'red flags'.

Amber flags include:

- high-risk or unregulated investments, or investments based overseas
- unusually high charges, or the charges are not clear
- a sudden rise in transfers involving the same scheme or adviser

If you have requested a transfer and it throws up one or more amber flags, you will be required to make an appointment with MoneyHelper for guidance. You'll also need to prove you have taken the guidance.

A red flag allows us to stop a transfer if we think there's enough evidence it could be a scam. Red flags include:

- you can't give us the information we need about the scheme you want to transfer to
- you can't show evidence of having taken MoneyHelper guidance
- you are requesting a transfer because someone contacted you out of the blue
- an unregulated person has carried out a regulated activity
- you have been offered an incentive to transfer, or are being rushed or pressured to transfer

As a result, pension transfers may take longer than they have done in the past. We may need to ask you for more information about the scheme you want to transfer to. But remember: all this is intended to keep your pension savings safe. We'll always be happy to transfer your pension to another provider, as long as we can be sure you are not being scammed.





## It's not just pensions

We've been focusing on pension scams – but the Covid-19 pandemic saw an increase of one-third in overall online fraud. The variety of scams is astonishing and you may have encountered at least some of these.

- Calls or messages claiming to be from your bank or building society, asking for personal details or details of your account. Your bank would never do this.
- Emails and text messages, supposedly from couriers or the Post Office, asking for payment to rearrange deliveries. You do not have to pay extra for the Post Office or couriers to rearrange deliveries.
- Messages purporting to be from the NHS. Recent examples include text messages claiming you've recently been in contact with someone who has Covid-19 and you need to click on a link to order a test. The link asks for personal details and a payment.
- Romance scams, where someone creates a fake online profile and gets in touch through social media or dating apps. They then spend time building up a close romantic relationship so they can use it to ask for money – for example, to come and visit you, if they're based abroad. They may also ask for your personal details so they can steal from you.
- Phishing scams – messages or websites asking for personal details that can be sold on or used to scam you. Phishing scams may also include links that download viruses or malware on to your phone or computer.

## Not a good job

*Here is an example of a phishing scam where someone didn't realise they'd given away their personal details.*

Anna saw an advert online for a job she liked the look of. To apply, she had to send a full CV and her contact details. She never heard anything back, but simply assumed she hadn't got the job. She subsequently forgot about it.

Some months later she received a phone call asking about her pension scheme with a previous employer, and whether she'd like to transfer it. It didn't seem like an unsolicited cold call (which would be illegal) as the caller knew a number of personal details about her.

It turned out that the job advert had been a fake and she had inadvertently given permission for her personal details to be used. In fact, they had been sold on.

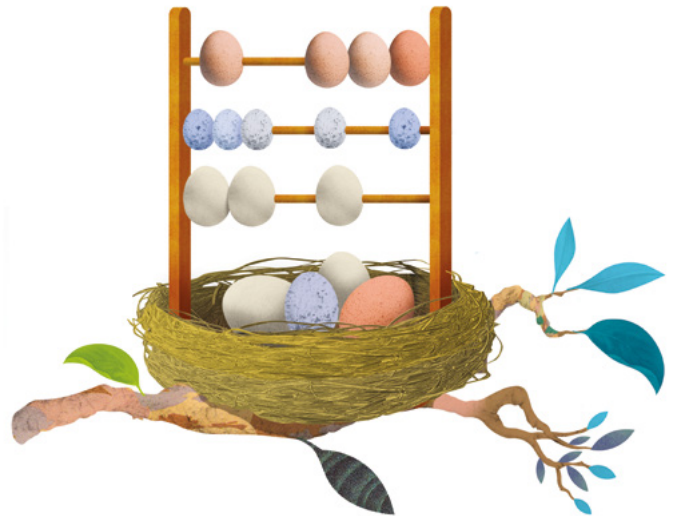


## Anti-scam resources

We recommend you look at and use these resources to help keep your pension savings safe.

- FCA Scamsmart website: [fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)
- FCA register of regulated financial advisers: [register.fca.org.uk](https://register.fca.org.uk)
- FCA warning list of known scams: [fca.org.uk/consumers/unauthorised-firms-individuals](https://www.fca.org.uk/consumers/unauthorised-firms-individuals)
- TPR scam page, including downloadable guides to spotting scams and reporting a scam: [thepensionsregulator.gov.uk/en/pension-scams](https://www.thepensionsregulator.gov.uk/en/pension-scams)
- Action Fraud (for reporting scams): [actionfraud.police.uk](https://www.actionfraud.police.uk)

# This year in summary



## Summary Funding Statement

Each year we provide information on the financial position of the Invensys Pension Scheme ('the Scheme').

The funding position is the difference between how much the Scheme needs in order to pay pensions now and in the future (its liabilities, known as 'Technical Provisions') and how much it actually has (its assets).

In this article we'll provide you with details of the full Scheme valuation as at 31 March 2021 and give you an update of the Scheme's finances at 31 March 2022.

*This information does not affect your entitlement to benefits.*

### **The formal triennial valuation shows the Scheme had a surplus**

We carried out a formal valuation of the Scheme as at 31 March 2021. It confirmed that the Scheme had assets of £4,828m and Technical Provisions of £4,815m. This meant the Scheme had a surplus of £13m and a funding level of 100.3%.

The Scheme was fully funded on a Technical Provisions basis, so the Company and other participating employers don't need to pay any contributions.

Following the completion of the actuarial valuation, we made some changes to transfer values in line with actuarial advice. We updated the assumptions for calculating transfer values and agreed to adjust them to allow for the impact of GMP equalisation. These changes were implemented on 7 September 2022.

The Scheme is required to carry out a formal valuation every three years. We expect the next full valuation to be carried out as at 31 March 2024.

### **The Scheme's funding position has remained stable**

As at 31 March 2022, the assets of the Scheme were £4,579m and the liabilities were estimated to be £4,516m using the March 2021 actuarial assumptions. This indicated that the Scheme had a surplus of £63m and a funding ratio of 101.4%.

The Scheme's funding level since 31 March 2021 includes a special contribution of £30m from the Company. This was paid because Schneider Electric sold the IMServ Europe Limited (IMServ) business, so IMServ is no longer a participating employer in the Scheme.

The Scheme has been closed to new accruals since 2015. It is expected that, over time, its assets and liabilities will fall as benefits are paid to the members of the Scheme.

### **Long-term objective**

As part of the triennial valuation, we decided to make our funding level more prudent. This means measuring our liabilities assuming a lower discount rate, which is based on assumed future investment returns. We will use the return on gilts (Government bonds), plus 0.75 of a percentage point (Gilts + 0.75 ppts). This is lower than Gilts + 1 ppts which we had been using since 2008.



We've also adopted a long-term objective, which is to have sufficient assets by 2030 to pay benefits assuming a return on our investments of Gilts + 0.5 ppts. We aim to reach this more conservative level by targeting a higher return of Gilts + 1.1 ppts until 2027.

We are happy to take the slightly higher investment risk required to achieve this target in the short term, as we are confident about the participating employers' support.

### Solvency funding position

The Technical Provisions basis isn't the only way to value the Scheme's liabilities. They can also be valued by looking how much we would have to pay an insurance company to take on the responsibility of paying members' benefits. As at 31 March 2021, we estimated that the amount needed to do this was £5,735m, which meant a shortfall of £919m.

The law says we must provide this estimate. It doesn't mean that we or Invensys Limited are thinking about winding up the Scheme or planning to insure the benefits.

### Support for the Scheme

Schneider Electric 'SE', which has been the ultimate parent company of the participating employers since 2014, has provided the Scheme with a guarantee worth £1.75bn. If any of the participating employers failed to meet their obligations to fund the Scheme, Schneider Electric would pay the missing contributions, up to a maximum of £1.75bn. This doesn't replace the participating employers' responsibilities. It's a further safeguard.

In the year to 31 December 2021, the consolidated Schneider Electric group generated adjusted earnings of €5.0bn before interest, taxes and amortisation (EBITA), compared to €3.9bn in 2020. Its free cash flow was €2.8bn, compared to €3.7bn in 2020.

The total market capitalisation of Schneider Electric at 31 March 2022 was €87bn.

### Asset Values and Funding Level



<sup>1</sup> The liabilities and estimated surplus for 2021 have been restated from the figures shown in the 2021 Annual Report to reflect the outcome of the Triennial Valuation as at 31 March 2021.

## The Scheme remains well positioned for the future

The Trustee continues to believe that the Scheme is well positioned to pay the pensions promised to its members. This view arises from:

1. the surplus in the current funding level, which was £63m at 31 March 2022
2. the obligation of the participating employers to make contributions, if required, to remedy a funding deficit
3. certain assurances from Schneider Electric about the asset value of the participating employer group while the Scheme is targeting a higher-than-discount-rate return, and
4. a guarantee from Schneider Electric of up to £1.75bn that any contributions due from the participating employers to the Scheme will be paid.

Most of our members' pension entitlements are calculated on a 'defined benefit' basis. This means that the amount a pensioner receives each month, and the amount of a deferred pension payable on retirement, are not directly affected by fluctuations in financial markets. However, the value of Defined Contribution section and AVC benefits do change as markets move.

## Annual Report and Financial Statements

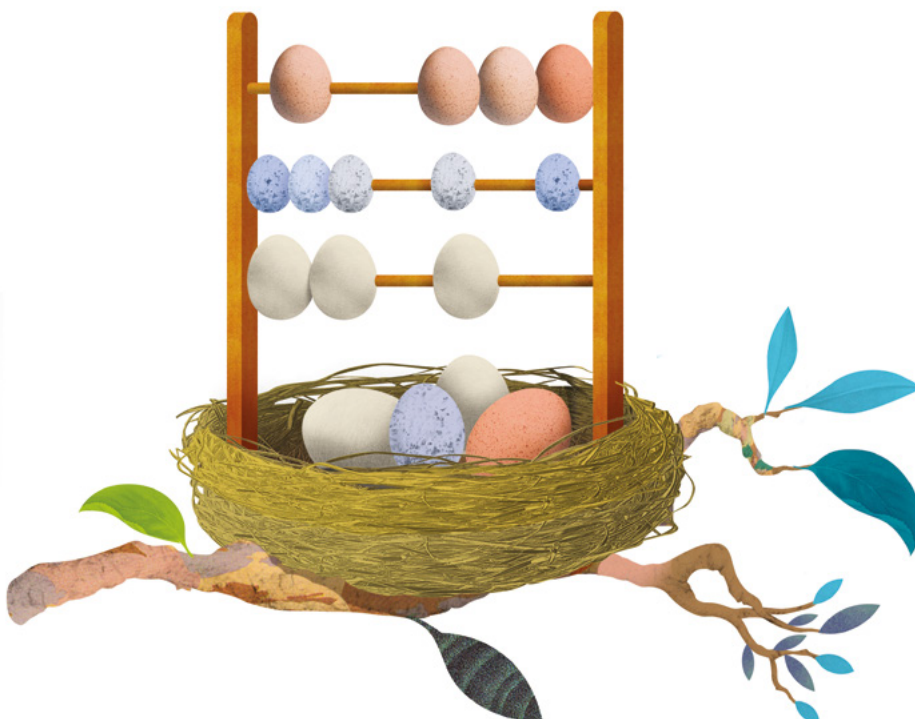
We've now completed the annual report and financial statements for 31 March 2022. The financial statements, which have been independently audited, describe the value of the assets in the Scheme and the reasons for changes in value.

The movements in the Scheme's funds over the last three years are summarised in the table on the right.

The Annual Report describes what we've done during the year. It also gives more detailed information about the Scheme's membership and the investments it holds. If you'd like to see the full report, it's on our website – [invensypensions.co.uk](https://www.invensypensions.co.uk). Or you can ask for a printed copy by calling the XPS Administration team. Their number is at the back of this newsletter.

## Membership

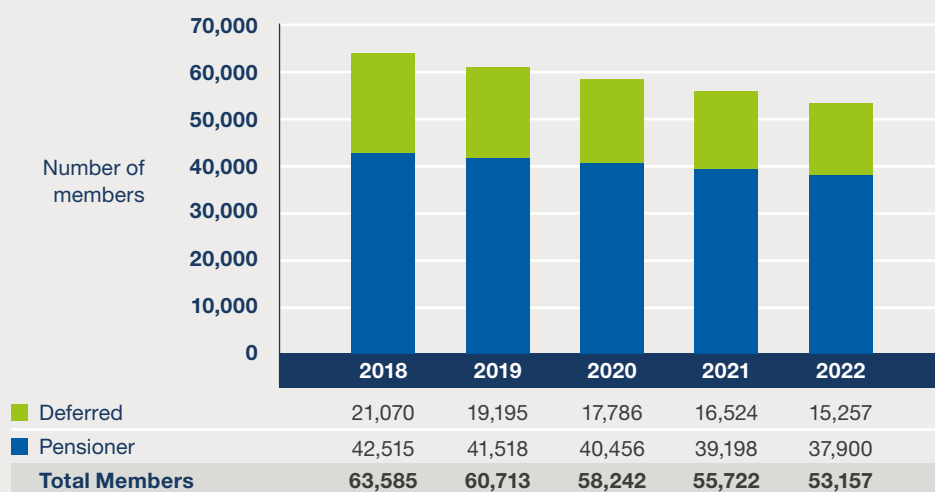
The Scheme closed to future accrual (benefit build-up) on 31 March 2015. All active members at the time became deferred members. The membership chart shows the split between deferred and pensioner members.



£m	2022	2021	2020
<b>Fund value at start of the year</b>	<b>4,828</b>	<b>4,994</b>	<b>5,045</b>
<b>Income</b>			
Contributions paid by Invensys Limited and Scheme members	30	–	–
Transfers from another scheme	–	–	2
Income and capital gains / (losses) from investments	(3)	124	264
<b>Outgoings</b>			
Benefits payable to members (pensions and lump sums)	(243)	(246)	(269)
Payments to leavers	(19)	(25)	(34)
Fees and expenses (administration, advisers, investment managers)	(14)	(19)	(14)
<b>Fund value at end of the year</b>	<b>4,579</b>	<b>4,828</b>	<b>4,994</b>
Less estimated value of Technical Provisions including AVCs and DC	(4,516)	(4,815) <sup>1</sup>	(5,094)
Estimated surplus / (shortfall) as at year end	63	13 <sup>1</sup>	(100)
<b>Funding Level</b>	<b>101%</b>	<b>100%</b>	<b>98%</b>

<sup>1</sup> The liabilities and estimated surplus for 2021 have been restated from the figures shown in the 2021 Annual Report to reflect the outcome of the Triennial Valuation as at 31 March 2021.

## Membership



## Investment Summary

### Our investment strategy

Our investment strategy has two main objectives:

1. To secure members' future benefits by limiting risk and delivering consistent, reliable investment returns.
2. To meet the investment target agreed with the Company (the Strategic Target). This was to achieve one percentage point above the return on gilts (Gilts + 1 ppts) each year up to March 2022, increasing to Gilts + 1.1 ppts from April 2022. To achieve this target the Trustee has to take a degree of investment risk.

The Scheme invests to meet these objectives, which gives us a Strategic Asset Allocation. The aim is to deliver long-term asset returns that cover the Scheme's liabilities, as based on the Technical Provisions. The Trustee aims to achieve the Strategic Target over the medium term.

We set specific performance targets for each of our investment managers. These targets cover a shorter period than the overall Strategic Target. Bringing these targets together determines the Scheme's Investment Manager Target (IMT). Year on year, the IMT might be above or below the Strategic Target.

We are responsible for monitoring:

- how total assets perform against the Strategic Target, which is equivalent to the investment returns assumed in calculating the Technical Provisions, and
- how the assets perform against the IMT.

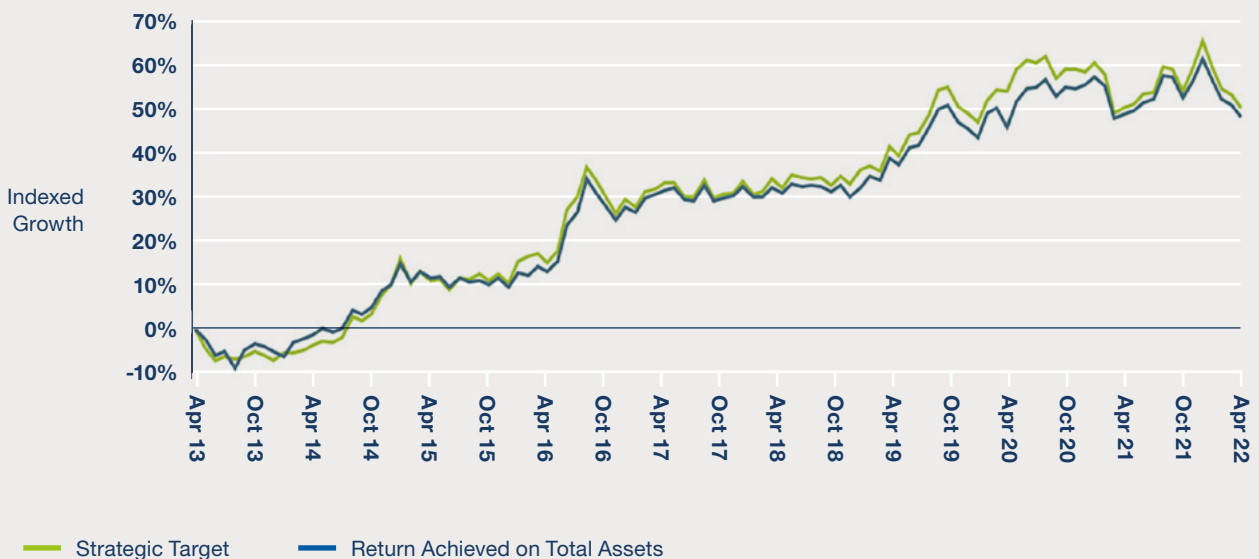
### Strategic asset allocation

We classify the Scheme's Investments in two categories.

1. A Liability-Matching Fund (LMF). This helps mitigate the Scheme's interest rate and inflation risks. The LMF is made up only of assets seen to be relatively low risk, like gilts (UK Government bonds).
2. An Investment Portfolio. This aims to access the risk premium of a diversified portfolio of return-seeking assets. It also looks to benefit from the additional performance available from active management, where appropriate.

The chart below shows that the Scheme assets' performance has tracked the Strategic Target closely over the past few years. Over the past three years, the Scheme's assets outperformed the Strategic Target by 0.2 ppts.

### Asset Performance Against Strategic Target



This has been a period of turbulence, with concerns about Covid-19 and the invasion of Ukraine affecting financial markets. Since May 2013, the investment strategy and manager performance has contributed to keeping the Scheme funding level stable – between 97.4% and 103.0%. We will continue to act prudently to protect the Scheme’s funding level, while looking for investment opportunities to enhance it.

### Investment performance during the year

How our investment managers perform in any given year is a combination of the:

- capital markets environment and
- managers’ ability to navigate the markets.

### Market environment

During most of the financial year overall investment conditions improved, as many countries gradually lifted restrictions for the Covid-19 pandemic.

These favourable conditions deteriorated later in the year. Inflation started to rise, driven by higher demand and supply-chain tensions. This was exacerbated by lockdowns in China in the first quarter of 2022, and the invasion of Ukraine by Russia in February. Inflation has now reached levels not seen since the 70s and early 80s in the US and Europe and the risk of sustained high inflation has increased. The economic outlook has become more uncertain and many economists are anticipating a slowdown or contraction in the months ahead.

In reaction to rising inflation, major central banks have started to adapt their monetary policies. This, together with the expectation of higher rate rises and that quantitative easing measures will be reversed, led to a significant rise in gilt yields.

As a result:

- volatility in financial markets has significantly increased
- equity markets have fallen from the high levels they reached during the first quarter of 2022; and
- credit spreads widened.

Credit spreads are the extra yield companies need to pay to borrow, compared to the yield on equivalent Government bonds.

### Investment managers’ performance

The Scheme’s assets achieved a return of -0.3% over the year after taking off fees and costs. This was 0.2 ppts below the IMT, and 0.4 ppts below the Strategic Target. Over the past three years, the Scheme’s assets outperformed those targets by 0.5 and 0.2 ppts respectively.

The Strategic Target corresponded to a return of +0.1% in the year to 31 March 2022. The IMT corresponded to a return of -0.1%. The values of the Strategic Target and IMT reflect the changes in gilt yields and inflation expectations during the year. Higher gilt yields decrease the current value of the pensions the Scheme is expected to pay. Higher inflation has the opposite effect. Gilt yields and inflation rose during the year, but the impact of the movement in gilts exceeded the effect of higher inflation expectations. This led to the relatively low levels of the Strategic Target and the IMT in the year.

The IMT is split between the target for the LMF and the target for the Investment Portfolio. The LMF had a total return of 0.8% over the year, outperforming its target of 0.6%. Over the past 3 years, the LMF had a total return of 2.7% a year, outperforming its target of 2.1% a year.

The Investment Portfolio had a total return of -1.6% for the year, 0.6 ppts below the target of -1.0%. The target was negative because the return objective for most of the Investment Grade (IG) Bond mandates is largely the same as UK fixed-rate gilt yields, plus a premium. The rise of UK gilt yields during the financial year led to negative return on these bonds – resulting in a negative target. The performance of the IG bonds was slightly behind their target as a result of wider credit spreads.

The Investment Portfolio’s other mandates performed positively, but were also behind their target. Most of them suffered in the first quarter of 2022 as a result of wider credit spreads and, in the case of the BlackRock DAA fund, lower equity prices.

The exception was the AXA PCS fund which posted a return of 12.3%, 4.6 ppts above its target of 7.7%. This was largely due to reversing market value adjustments that had been made the previous year. These adjustments were made because some of the bank loan portfolios the fund insures had been expected to suffer losses. This fund is now in redemption phase.





## Q&A with Andy Smith

### How did you get into pensions?

I've been in pensions a long time! I started my career at the Prudential in 1989. I originally worked in finance where I qualified as an accountant, but in 2004 I moved to marketing to become the director of the Prudential's pension business. Since then I've worked exclusively in pensions.

### How did your background prepare you for being a trustee?

It's a bit like being a company director - you're responsible for all aspects of the business. I first became a director in 2006, after leaving Prudential to set up an insurance company that focused on paying pensions like those IPS pays. That was a good start, but not as helpful as the six years I spent as CEO at the Invensys Pension Scheme. That gave me the detailed knowledge of the Scheme and its rules that you also need. After leaving Invensys I trained to become a professional pension trustee, which has given me wider experience from other schemes. Hopefully all this makes me an effective trustee.

### What do you do as a trustee?

The Scheme rules set out the Trustee's powers and the procedures we must follow. In most cases the Trustee body has the power, rather than individual trustees. I'm a member of the board, which is where we set the strategy to ensure we can pay your pensions. The board oversees all the Scheme's activities, so it's important for me to keep abreast of pensions legislation and what's happening in the Scheme. I'm also the Chair of the Pensions Governance Committee (PGC) which is responsible for administering your pension. Among other things, the PGC monitors the quality of the service you get and decides how to apply discretionary benefits.

### What are the challenges of being a Trustee?

One of the biggest challenges is keeping track of everything. The role is only part time and the responsibilities are huge. We need support from other people, particularly the executive office, but also from our advisers.

### How do you make a difference?

I know from my time as CEO how effective the Trustee board is. Some very experienced board members retired not long ago, so I hope my background is helping to replace some of that lost knowledge. I also hope to use my experience from other pension schemes to ensure IPS achieves best practice.

### It's been more than a year since the Covid-19 lockdowns – were there any lasting effects?

Like lots of people we got used to doing meetings using video calls. As the trustees are based all over the country, this can save a lot of time and money travelling. Video calls can't completely replace face-to-face meetings but, used selectively, I think they can be an efficient way of operating in the future.

### What do you do when you are not thinking about pensions?

I like visiting new places. I bought a motorhome a couple of years ago and enjoy the freedom it gives me. I've used it to travel through Europe, go skiing, go to motorsport events and visit many places in the UK.

# Survey Results

## What you told us



### Towards the end of last year we carried out a survey to find out:

- what you think of our newsletter
- whether there are any changes you would like to see, and
- what you think about how we communicate with you generally.

We would like to thank everyone who took part in the survey. We will be using the feedback to review our communication strategy for the future. Here are some highlights of the feedback and actions we've taken in response.

#### Which articles you enjoy the most

The most popular item in the newsletter was 'News from the Chairman'. The second most popular was the 'Pensions News' item, which in this newsletter is the 'Scam Special'. In response to this feedback we've changed the order of the newsletter and placed the 'Scam Special' directly after the Chairman's news piece.

#### What you think of the newsletter's design and content

We were pleased to find you generally like the newsletter and find it informative.

- 86% of you agreed the design of the newsletter would make you want to read it
- 82% thought the information we provide was about right and not too technical
- 65% found it informative
- Less than 10% didn't enjoy it

#### Part of the family

We received some feedback from pensioner members of smaller pension schemes that have been merged into the IPS scheme, suggesting they don't feel part of the IPS 'family'. They had never worked for Invensys or Schneider Electric, and IPS is simply the entity that pays their pension.

All our members are a valuable part of the IPS community and we will consider this feedback when we are developing our communication strategy.

### IDRP update

We've recently updated our complaints procedure, known officially as the Internal Dispute Resolution Procedure or IDRP. The update clarifies who is eligible to make a complaint, and introduces a time limit to encourage members to contact us as soon as they identify a problem. It also brings our process into line with the latest guidance from the Pensions Regulator.

You can request a copy of the IDRP from the XPS Administration team, using the contact details on the back page.

# How-to

## a helpful guide for common questions

### How do I find out what my income will be after I retire?

We'll write to you about five months before you're due to retire. We'll let you know how much your pension will be and explain the options you have. If you'd like to know before then, write to the XPS Administration team or call the helpline. The contact details are on the back page.

### How do I find out what my pension would be worth if I wanted to transfer it to another pension scheme?

Most of you can see the estimated Cash Equivalent Transfer Value (CETV) of your deferred pension by logging into **MyPension.com/ips**. We update the estimated CETV every three months.

If you would like to speak to a financial adviser about transferring your pension to another scheme, you can ask us to send you a full transfer pack. Contact the XPS Administration team using the details on the back page. It can take up to

20 working days for the pack to reach you. Your pack will include a CETV that's guaranteed for a certain time. If you decide to proceed with your transfer, you must return all the forms and documents within the guarantee period. If you'd like us to give you more than one transfer pack within a year, you'll need to pay us:

- £420 for every extra DB calculation
- £700 for every extra DB and AVC/DC calculation

### How do I, or my loved ones, let you know a Scheme member has died?

Please call the helpline as soon as possible. You'll find the details on the back page. A member of the administration team will guide you through the next steps, including how to apply for any benefits that may be payable. If you contact us after the 12th of the month it may not be possible to stop the next pension payment being made, so we will ask you to return it.

### How do I tell you if I've changed my personal details?

If you move home, you can log into **MyPension.com/ips** and update your address online. Alternatively, you can download a form from **invensyspensions.co.uk/forms**, or write to the XPS Administration team at the address on the back page.

If you change your email address, please log into your account on **MyPension.com/ips** and change it there.

### How do I nominate who'll get any death benefits when I die?

If you've been receiving your pension for less than five years, or you haven't yet started to take your benefits, you just need to update your nomination form. You can log into **MyPension.com/ips** and update your nomination details online.



Alternatively you can download the form from [invensyspensions.co.uk/forms](https://www.invensyspensions.co.uk/forms), or call our helpline and ask us to post you one. The contact details are on the back page.

To make sure your money goes where you want it to, please keep your nomination form up to date.

### Does my pension increase before I retire?

Yes, and it is important to know this. If you are no longer building up your pension, but have not yet retired, your pension is known as 'deferred'. Some people think deferred pensions are 'frozen' – in fact, scammers may try to tell you this – but they are not. There are rules for increasing deferred pensions every year until you retire. This pre-retirement pension increase is known as 'revaluation'.

The amount of the yearly increase depends on which section you are in. You can log into [MyPension.com/ips](https://www.mypension.com/ips) to see the current amount of your deferred pension.

Your pension will also receive increases once you start to take it, but these are worked out in a different way from increases before retirement. These increases are linked to a measure of inflation. They also depend on which section of the rules apply to your pension. Some parts of your pension may not increase.

If you take the Pension Increase Exchange ('PIE') option when you retire, you'll be entitled only to statutory increases. We explain this when we issue your retirement pack.

### How does the Trustee use my personal details?

We only ever use your personal details to administer and pay Scheme benefits. This may involve sharing your details with carefully-selected providers to carry out work on our behalf. You can find more information on how we use your personal details in our Privacy Policy on the IPS website – [invensyspensions.co.uk](https://www.invensyspensions.co.uk)

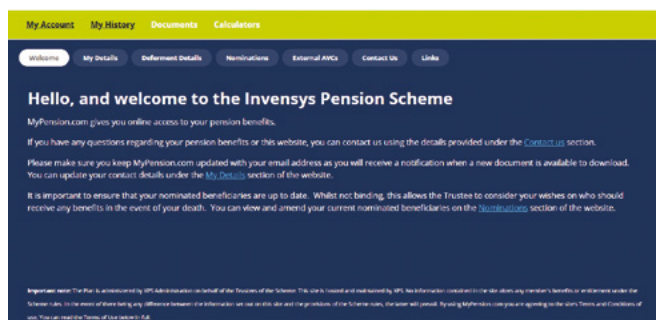
We need to be sure we are paying pensions to the right people, so we use a specialist service to check the details we have against the death records held by the General Registrar in the UK.

We do sometimes find we have made pension payments we should not have, usually because a member has died but the family hasn't told us. This could be due to a genuine mistake – we know there are lots of things to sort out when someone dies. However, we also see cases where the family has not told us about the death so they can continue receiving the pension.

If a pension has been overpaid, we have a responsibility to all Scheme members to try to get the money back. Most of the time we can sort it out quickly by asking for the overpayment to be paid back. However, if we suspect fraud has taken place, we use a specialist legal team to pursue fraudulent overpayments and have successfully taken court action to recover wrongly-paid pensions.

# Your IPS pension at your fingertips

MyPension.com/ips



Our pension website, **MyPension.com**, enables you to keep in touch with your benefits easily and quickly – whether you’re already taking your benefits, or haven’t yet started to take them.

We now upload all your regular information – including pension payslips, AVC and DC statements, and the yearly update of main Scheme benefits – to **MyPension.com** instead of sending it by post. This gives you faster, more secure access to your information.

If you have any problems logging in, please contact the XPS Administration team. You can find the contact details on the back page of this newsletter.

If you have not registered on **MyPension.com** you will receive your payslips and P60s by post.

If you are unable to use **MyPension.com**, please write to the XPS Administration team using the address on the back page of this newsletter.

## If you’re already taking your benefits

You can use **MyPension.com** to:

- view your pension payslips
- tell us you’ve moved home
- see and check the personal details the Scheme holds about you
- contact the XPS Administration team.

## If you’re not yet taking your benefits

You can use **MyPension.com** to do the following things.

- Contact the XPS Administration team.
- See how much your pension is worth now, and how much it could be worth when you plan to retire. If you can’t see this online, please contact the XPS Administration team.
- Tell us you’ve moved home.
- Tell us who you’d like to get your benefits when you die.
- View your AVC or DC statements, if you’ve paid into these parts of the Scheme.
- Find out the current estimated transfer value (CETV) of your benefits. If you can’t see this online, please contact the XPS Administration team.
- Request a retirement estimate and view it securely.
- See and check the personal details the Scheme holds about you.

You can also visit **invensyspensions.co.uk** for general information about the Scheme, guides, frequently asked questions and past issues of this newsletter.



## Yearly, before you retire

### Every June

For most of you, we'll calculate the current value of your deferred pension and upload a statement to your secure account on **MyPension.com/ips**

We no longer send statements by post unless you have written to the XPS Administration team to ask to receive your information by post.

### Every July

We'll upload a statement to your secure account on **MyPension.com/ips** if your pension is based on what you have built up in your own Defined Contribution (DC) or Additional Voluntary Contribution (AVC) pot.

We no longer send statements by post unless you have written to the XPS Administration team to ask to receive your information by post.

## A few months before you retire

We aim to get in touch with you five months before you retire, or eight months if any of your pension is DC – where you've built up your own IPS pension pot or topped up your pension with AVCs.

In any case, we'll send you a pack containing everything you need to know. You won't need to do anything until you receive the pack.

Please tell us if you move home, so that we can contact you without delay.

If you've moved home but haven't told us, we may need to use a tracing service to find you. This could delay payment of your pension and lump sum.

## After you retire

We try to pay you as soon as possible after you retire.

### If you're taking a lump sum

As long as we receive all your forms on time, your money will usually be in your bank account within seven days of your retirement date. It will be slightly longer if you have AVC or DC funds because we have to ask the manager to sell your investment and send us the proceeds.

### If you're taking your IPS pension

We pay everyone on the first day of each month. If you retire in the first half of the month, we can usually start paying your pension on the first day of the following month. It'll be the month after that if you retire in the second half of the month. Some pensions are paid yearly. We pay those on the first of the month in which they're due. When the first of the month is on a weekend or bank holiday, we bring payments forward to the working day just before.

### Every April

Most pensions receive an increase on 1 April. Some pensions increase at different rates, depending on which section you joined. We'll post the standard increase rates on our website in March each year.

### Every May

If you have registered on **MyPension.com**, you'll be able to view your P60 by 31 May.

If you have not registered on **MyPension.com**, we'll send your P60 to your home address by 31 May.

A P60 is the form that shows your income from the Scheme for the previous tax year. You'll need to show it to HMRC if they ask for it.

# Get in touch

## our contact details



Write to our Scheme Administrators at  
**XPS Administration**  
**36 Gallowgate**  
**Newcastle upon Tyne**  
**NE1 4TD**



Email the XPS Administration team at  
**[invenspensions@xpsgroup.co.uk](mailto:invenspensions@xpsgroup.co.uk)**



Visit our website at **[invenspensions.co.uk](http://invenspensions.co.uk)**

Log into **[MyPension.com/ips](http://MyPension.com/ips)** to view or update your details online



Call our helpline on **0191 341 0600**

When you phone us, we'll need to check you are who you say you are. To help us, please have your National Insurance number and member or payroll identification number handy.