

Pension News

Welcome to our latest newsletter, for all members of the Defined Contribution (DC) section of the UUPS

June 2020

Message from the Chair of Trustees

Welcome to the first of this year's newsletters for contributing and deferred members of the DC section of the UUPS.



During this time of uncertainty for us all, due to the ongoing Covid-19 crisis, the Trustee has been working with its advisers and the United Utilities Pensions Team to ensure that business continuity plans are in place and working effectively.

We are working closely with the Scheme Administrators who operate the Scheme on a daily basis to discuss their contingency planning to make sure that key work streams such as benefit payments continue to be processed.

We are also working with the Scheme's specialist advisers to understand the effect of the current unprecedented market volatility on the Scheme's DC investment options. Whilst DC pots will have

seen a negative move in recent months, for most members who are a number of years from retirement, the expectation is that fund values will recover over the long term, although there are no guarantees.

For members who are approaching retirement, the current market volatility will be more concerning. Whilst the Trustee continues to work closely with its advisers to understand the impact of the current market volatility on DC funds, the Trustee, the Company and the United Utilities Pensions Team are not authorised to provide financial advice to individual members.

We would therefore urge you to speak to your financial adviser before making any decisions in relation to your pension.

Details on how you can find a financial adviser in your area can be found on page 6.

It is a challenging time for everyone but I can reassure you that the Trustee is confident in the processes in place to manage the Scheme during this unprecedented worldwide crisis.

With best wishes,
Gary Dixon, Chair of the Trustees



**MORE
REWARD**

Your Trustee Board

As confirmed in the last newsletter, the terms of office for three of the member elected Trustees came to an end in March 2020.

Phil Sweeney was re-elected and Barbara Dutton and Ian Monks took office from the Trustee meeting held on 10 March 2020. A brief introduction to Barbara and Ian can be found below.

The Trustee would like to offer sincere thanks to Andrew Lambert, who stood down at this election, and Chris Lee, who had reached his maximum term of office. Both Andrew and Chris have brought a wealth of knowledge and experience to the Trustee Board over the period of their appointments and the Trustee thanks them both for their valued contributions during their time as Trustee Directors. We wish both Andrew and Chris the very best for the future.

Your Trustee Directors ('Trustees')

Member Elected
Lynne Brierley*
Barbara Dutton*
John Jones
Ian Monks
Phil Sweeney

Company Appointed
Gary Dixon (Chair)
Allan Heron*
Colin Maloney*
Graeme Mooney
Paula Steer

**receiving a pension from the Scheme*

Your Trustees are appointed to ensure that the Scheme is run in accordance with the Trust Deed & Rules and overriding legislation, and to act in the best interests of the membership as a whole.

Your newly elected Trustees:



Barbara Dutton

Barbara is a pensioner member of the Scheme and worked for United

Utilities for 23 years. Barbara was Operations Manager (Water), working across all business areas from Huntington in the South to Carlisle in the North. She also worked in operational strategic management in Warrington and was Education Officer for the Trade Union, Unison.

Barbara has held a number of Trustee positions and brings this experience with her to the UUPS Trustee Board.



Ian Monks

Ian is an active member of the Scheme and has worked for United

Utilities for 31 years. Ian is currently based at Blackburn Wastewater Treatment Works in the Trade Effluent team.

Ian is job-share lead representative for Wastewater in UNISON UU and is the branch Pensions Officer. This means he works with national officers on pensions matters and was also involved in the pension changes consultations in 2018. This is valuable experience as Ian joins the UUPS Trustee Board.



Phil Sweeney

Phil was first elected to the Trustee Board in 2016. Phil is an

active member of the Scheme, having worked for United Utilities for 24 years, following in the footsteps of his dad (34 years' service before retiring). He currently works in the Company's Integrated Control Centre where he heads up the teams looking after Operational Planning, Emergency Planning, Emergency Response and Monitoring & Control. In his first term, Phil was a member of the Scheme's Defined Contribution Sub-Committee and has recently stepped up as Chair of the Governance, Risk and Audit Sub-Committee and joined the Investment Sub-Committee.



Contact details

DB - Willis Towers Watson

uups@willistowerswatson.com 0113 394 9309

DC/AVC - Aegon

my.pension@aegon.co.uk 01733 353481

Need an IFA?
Visit www.unbiased.co.uk

View your pension online

All DC members will hold an account with Aegon. You can view your pension account with Aegon online via 'TargetPlan'.

On TargetPlan you can:

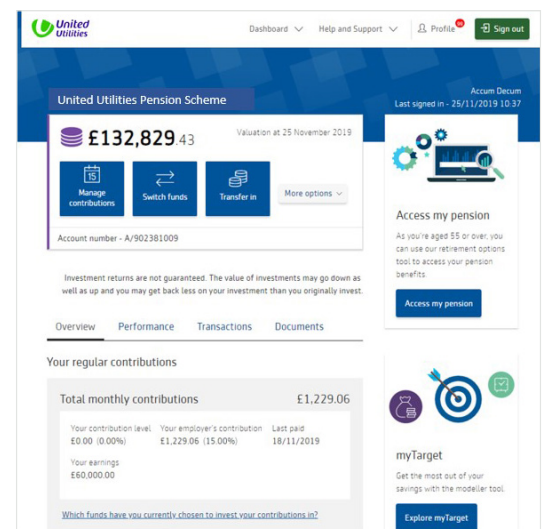
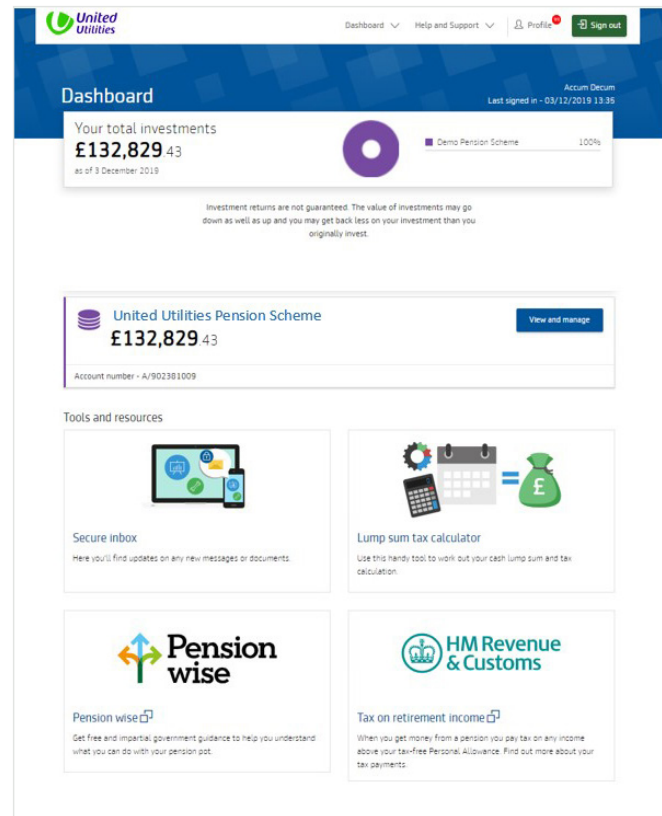
- See how much your pension pot is worth
- Consider how much income you may need in retirement
- Get a quotation of what you could receive at retirement
- Use the online calculator to see the impact of paying more into your pension and/or changing your retirement age
- Switch where your pension pot is invested
- Update your personal details
- Access booklets, factsheets and communications
- Amend your selected retirement age

If you have misplaced your login details or password you can use the 'forgotten UserID/password' links on the TargetPlan website or contact Aegon on the below details:

Telephone: **01733 353 481**
E-mail: **my.pension@aegon.co.uk**

If you have pension benefits elsewhere, you can enter the current value of your pension from other arrangements into TargetPlan and use the modelling tool to understand your potential total retirement benefits. A guide to show you how to use this option within TargetPlan can be found in the Hybrid section of the Information Library on the Pensions Website at:

www.unitedutilities.com/information-library



Contributing Members

Members of the UUPS DC section and their contribution rates as at 31 March 2020

Employee Contribution rate:	3%	4%	5%	6%	7%	7+%	Total
Employer Contribution rate:	6%	8%	10%	12%	14%	14%	
Number of members	190	40	1,373	39	2,094	433	4,169

If you are a current contributing member you can change how much you pay at any time by completing the online form which can be found on Pipeline. The more you pay the more the Company pays and the bigger your DC pot will be at retirement.

Investment choices

Benefits from your DC pension are determined by:

- The amount of contributions paid in
- Investment growth

If you want to understand more information about the available investment choices, there is an 'investment choices' leaflet available in the General section of the Information Library on the UU pensions website at www.unitedutilities.com/information-library. Details of the costs and charges of the various investment options can be found in the 'Chair's Statement' in the Other Technical Documents section of the Information Library at: www.unitedutilities.com/information-library

Selected retirement age

It is important that you keep Aegon updated with your 'selected retirement age'. This is the age at which you expect to retire and if you are in the default fund, this age is used to move your investments between funds as you approach retirement. If you have not selected a retirement age, the default is set at age 65. However, you should consider your own circumstances and choose your own selected retirement age to ensure your investments are appropriately managed as you approach retirement.

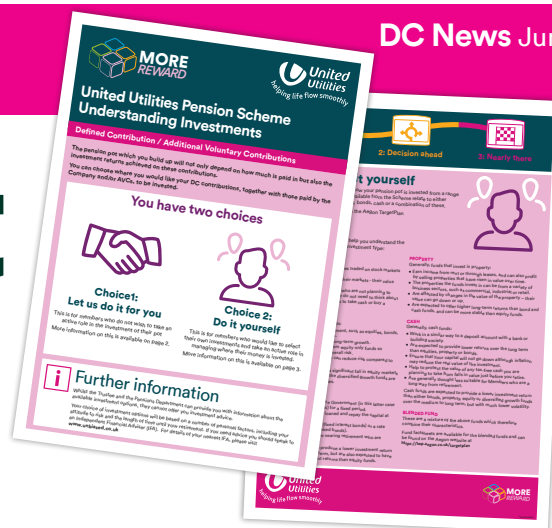
Expression of wish forms

The Trustee would like to remind members of the importance of completing an Expression of Wish form. The form informs the Trustee of members' wishes regarding payment of your pension pot to your beneficiaries in the event of your death.

If you have not completed a form, or if your details are not up to date, a form can be accessed in the Defined Contribution section of the Information Library at www.unitedutilities.com/information-library or by telephoning Aegon (contact details on page 6).

Keeping us up to date

Your pension is an important benefit. It is essential that we keep your pension record up to date in order to pay your benefits promptly and accurately and to administer the Scheme efficiently. You can update your details on TargetPlan or by contacting the Aegon (contact details on page 6).



Investment of Scheme assets

The Trustee's policy in relation to the investment of Scheme assets is set out in its Statement of Investment Principles (SIP). The SIP includes information about the Trustee's approach to environmental, social and governance (ESG) issues. If you would like to see a copy of the SIP, this can be accessed via the Other Technical Documents section of the UU pensions website at:

www.unitedutilities.com/information-library



Trustee Report and Financial Statements



The Trustee's annual report and financial statements for year ending 31 March 2020 is currently in progress. We expect to be able to confirm the results of the audit in the next newsletter, later this year.

Member feedback



The United Utilities Pensions Team is undertaking a member feedback project. The Trustee is keen to understand what information members would like to receive about the Scheme and in what format. The feedback will be collated via a short telephone conversation with a member of the Pensions Team.

If you would be interested in providing feedback, please contact Samantha Houghton at Samantha.houghton@uuplc.co.uk.

Privacy notice

The Trustee takes the privacy of member data seriously. The Scheme's privacy notice provides information regarding the personal data held by the Trustee and how it is processed. If you would like to see a copy of the privacy notice, it can be accessed in the Defined Contribution section of the Information Library at: www.unitedutilities.com/information-library

Do you know how much income you may need in retirement?

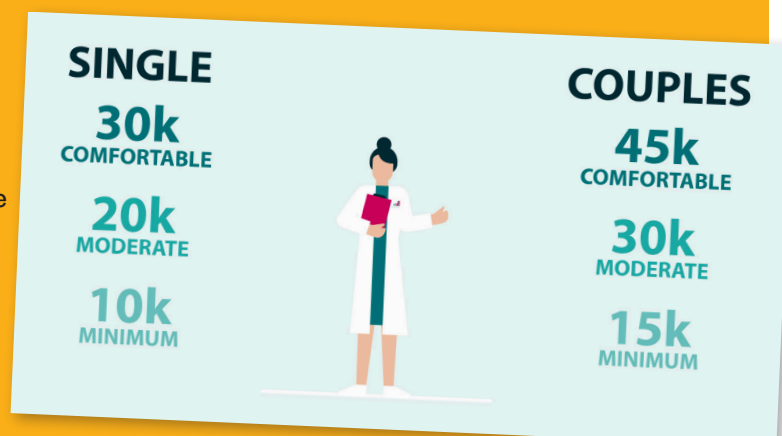
Research shows 51% of people focus on their current 'needs and wants' at the expense of providing for the future and only 23% of people are confident they know how much they need to save. The Pension and Lifetime Savings Association (PLSA) has introduced 'Retirement Living Standards' aimed to help savers overcome this challenge and give them more confidence about their retirement saving.

The standards show you what life in retirement looks like at three different levels, and what a range of common goods and services would cost for each level.

Roughly speaking, a single person will need about £10k a year to achieve the minimum living standard, £20k a year for moderate, and £30k a year for comfortable. For couples, it's 15k-30k-45k.

The PLSA has created a series of examples to show what kind of living standard different people could have in retirement depending on their salaries, household and savings.

Visit www.retirementlivingstandards.org.uk to find out more information.



Pension Scams

Members should always be vigilant in relation to pension scams. However, some scammers are using the current uncertain climate as an opportunity to try and access your pension savings.

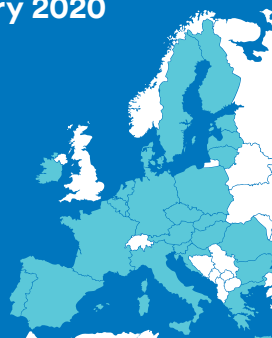
Scammers can be articulate and financially knowledgeable with credible looking websites.

If you think you are being targeted by scammers, you can find out more at www.fca.org.uk/scamsmart.

Brexit

As you will be aware, the UK left the European Union on 31 January 2020 and has entered an 11 month transition period.

The Trustee continues to consult with its professional advisers to assess any expected impact of Brexit on the Scheme's investments. However, at the current time the impact on investments is unknown.



Pension Tax Allowances

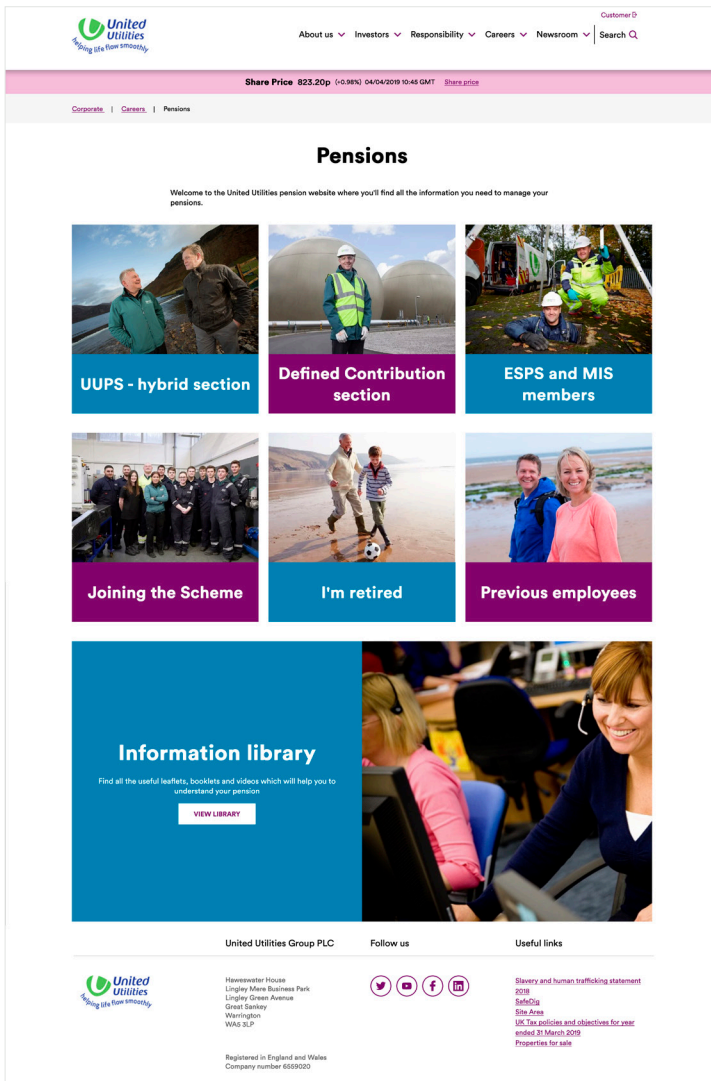
The Lifetime Allowance (LTA) is the maximum amount of pension savings that you can have at retirement from all pension schemes without incurring an additional tax charge. In April 2016, it was fixed at £1 million. However, the LTA started to increase with inflation from April 2018 as measured by the Consumer Prices Index and it is currently £1,073,100 for the 2020/21 tax year.

The Annual Allowance (AA), which is the maximum annual pension savings that will qualify for tax relief, remains at £40,000, although there are lower limits for individuals with income above £200,000 or who have already started accessing their pension benefits. Different arrangements are applicable for individuals earning in excess of £312,000.

If you think you could be affected by these tax limits, please contact the Scheme Administrators in the first instance (contact details on page 6).



The UU pensions website



There is lots of useful Scheme information available on the pensions section of the United Utilities' website.

You can access the website at:

www.unitedutilities.com/pensions

Obtaining information about your pension

If you have a query regarding your pension you should contact the administrators, Aegon, in the first instance:

Telephone: **01733 353481**

Email: my.pension@aegon.co.uk

Address: **Aegon
PO Box 17486
Edinburgh
EH12 1NU**

Please quote 'UUPS' and your **National Insurance number** in all correspondence with Aegon.

Useful contacts:

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 obtain a quotation of your state pension and check your state pension age

www.pensionsadvisoryservice.org.uk

Impartial guidance for people with workplace and personal pensions

www.moneyadviceservice.org.uk

Free and impartial money advice, set up by the government

www.pensionwise.gov.uk

Government service providing guidance about defined contribution (DC) arrangements (including AVCs) for those over 50

www.thesilverline.org.uk
(or call 0800 4 70 80 90)

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

Need an IFA?

The Trustee, the Company and the Scheme Administrators are unable to provide you with financial advice. If you are uncertain of the best option for you, you should take independent financial advice. If you do not have a financial adviser, you can find one in your area at www.unbiased.co.uk. Please remember to check that whoever you speak to is properly qualified to advise you.

