

# Pension News

April 2024

Bradford & Bingley Staff Pension Scheme



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The Trustee formally assesses the funding level of the Scheme every three years.

The most recently completed formal valuation took place as at 30 June 2021. At that date the Scheme had a surplus of c.£129m, and a funding level of c.110%.

Every year, between the formal valuations, the Trustee assesses how the surplus has changed, and as at 30 June 2023 it was estimated that the Scheme had a surplus of c.£140m, representing a funding level of c.118%.

The improvement in funding position over the period from 30 June 2021 is due to a combination of changes in market conditions alongside the performance of the Scheme's investment strategy. Together these have led to a proportionately larger decrease in the value of Scheme liabilities than the Scheme's assets over this period.

As the Scheme is currently in surplus, no contributions are being paid by the scheme sponsor, UK Asset Resolution Limited (UKAR), other than payments to meet the Scheme's administrative expenses.



The Scheme is largely mitigated against future market movements due to an investment strategy that provides a high level of hedging protection against changes to interest rates and inflation expectations. Therefore, the Trustee expects the funding level to remain stable regardless of short or long-term market volatility.

This has been demonstrated in recent times, with the Scheme's funding level remaining resilient to market shocks, such as the significant market volatility that followed the government's mini budget in Q3 2022 and subsequent interest rate rises.

As previously communicated, the Scheme also benefits from a back stop guarantee provided by HM Treasury that states that "The Treasury shall give a guarantee or make other arrangements for the purposes of securing that the assets of the Scheme are sufficient to meet the liabilities". In effect, the Trustee expects all member benefits to be paid in full.

# Transition of the Scheme to the public sector



When we wrote to you last year, we confirmed that legislation had been enacted, namely the Public Service Pensions and Judicial Offices Act 2022 (the “Act”), that provided powers to establish a new statutory public sector pension scheme, into which the benefits of the Bradford & Bingley Staff Pension Scheme are intended to transfer.

The Trustee, working alongside its advisers, is taking appropriate steps to ensure that member benefits are accurately replicated in the new public sector scheme rules. Further, the Trustee is working with HM Treasury to ensure that adequate protections are in place such that members are no worse off following this transition. Protecting the rights of all members is the fundamental principle that the Trustee is working towards in all decisions taken.

The transfer date remains uncertain, given the volume of work to be completed. However, it is not expected that the new public service scheme will be in place until 2026 at the earliest.

We appreciate that this topic will be of interest to Scheme members and are thankful for your patience as the detail is worked through. The Trustee will inform members of key developments as and when they occur and will communicate these appropriately.

In the meantime, members are able to retire and take their pension benefits as per the terms of the pension scheme.

# Guaranteed Minimum Pension Equalisation (“GMPe”)



## **Guaranteed Minimum Pension (“GMP”) Equalisation Review**

In last year’s newsletter we provided you with an update on the Trustee’s review of the inequalities arising in relation to GMP benefits accrued in the Scheme before April 1997. As a reminder, all UK pension schemes are now required to equalise benefits for men and women with relevant GMP. This is a complex process and can take several years to complete.

This work is still ongoing and is now expected to continue throughout 2024 and possibly into 2025. However, we intend to write to you again later this year with a further update.

## **Lifetime Allowance**

Linked to this review, the Trustee previously asked you for details of any Lifetime Allowance Protections you hold and to let them know if you are close to your Lifetime Allowance limit. You may have applied to HMRC for protection if you thought that you would likely exceed your Lifetime Allowance at some point in the past (between 6 April 2006, when this came into legislation, and 5 April 2023, when the charge for exceeding the Lifetime Allowance was removed).

The UK Government abolished the Pensions Lifetime Allowance as of 6 April 2024 (see Appendix 3 for more details about this). Although no longer in place, the Trustee still needs information about any Lifetime Allowance Protections or limits because any increase to pension at the date you retired from the Scheme resulting from this review could use up some of your Lifetime Allowance in place at that time.

Please contact the Scheme Administrator as soon as possible if you have not yet provided this information.

# Accessing your benefits (deferred members)



Members of the Scheme have all received details of how to register for the online member portal, (found at <https://member.thepensionsplatform.co.uk/Homepage>). This site provides members with real time access to information about their personal Scheme benefits and Scheme documentation.

The Trustee strongly recommends that members take advantage of the opportunity to access their Scheme information via the portal. Some of the capabilities that are available to members via the portal are:

**Real time access to your benefit information** – If you are a deferred member of the Scheme (i.e. you have not yet chosen to receive your pension) you are able to view your deferred pension entitlement at the current date (i.e. allowing for revaluation from the date at which you left the Scheme to now). If you are a pensioner member, you are able to view your current pension in payment on the portal.

**Ability to request benefit illustrations and options** – The vast majority of deferred members are able to access illustrative cash equivalent transfer values. These are illustrative and are not a guaranteed transfer quotation. Therefore, they do not count towards your limit of one free CETV quotation per annum. Should members wish to request a guaranteed quotation, this can be requested via the portal or by contacting the administrator.

Further, deferred members are able to access illustrative retirement quotations to aid their financial planning.

**Ability to update details** – Members are able to update their personal information such as bank details, changes of address, marital status and spouse/dependant information in the portal. Members should update any information that appears out of date.

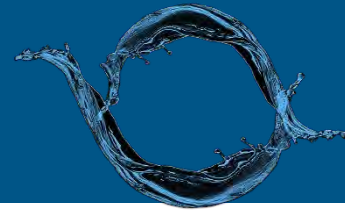
In particular, the Trustee encourages members to update their expression of wishes section to ensure that a spouse or other dependant(s) are nominated to receive contingent benefits when you die. You may also update your expression of wishes using the form and returning by email to [bandbpensions@isio.com](mailto:bandbpensions@isio.com) or by post to **Bradford & Bingley Staff Pension Scheme, Isio c/o SPS, PO BOX 4916, Interface Business Park, SN4 4RX.**

**Pension payslips** – Pensioner members are able to access their payslips from the Scheme via the portal.

**Access to Scheme documents** – There are a number of documents about the Scheme which are available for you to read in the portal.

If you encounter any difficulties in registering for the portal, please contact the scheme administrator using the details provided on page 11 of this newsletter and they will be able to assist.

# Accessing your benefits (deferred members)



Deferred members are permitted to retire on or after their minimum pension age (generally age 55 but due to rise in the future). If you choose to retire before normal retirement age, your pension will be reduced for early payment. If you are above age 55 and would like a formal retirement quotation, please contact the Scheme administrator using the details provided on page 11 of this newsletter.

Additionally, please contact the Scheme administrator if you have made Additional Voluntary

## Public website for Scheme information



Contributions (AVCs) to the Scheme and would like to understand your options to access these.

The Trustee operates the Bradford & Bingley Staff Pension Scheme website that is located at: <https://www.bandbpensions.com>.

This publicly available website was set up to meet the recent legislative requirement for all pension scheme trustees to make available certain information, such as their Statement of Investment Principles, Implementation Statement and their TCFD statement.

The Trustee intends to continue to update this website intermittently with other useful member communications. We encourage all members to visit the webpage periodically or when prompted to do so in future Trustee communications.

# Transfers out of the Scheme



Deferred Scheme members are able to request to transfer the value of their Scheme benefits to another pension scheme or arrangement. Transfer value quotations can be obtained by contacting the Scheme administrators.

It is not possible to reverse a decision to transfer if you subsequently discover that it was not in your best interests. When considering transferring out of the Scheme, pensions regulations state that independent financial advice must be taken from an adviser with appropriate pension transfer authorisation before any transfer can proceed. The only exception to this is in cases where the transfer value is less than £30,000.

Transfer value quotations are guaranteed for a period of three months from the date of calculation. If a re-quote is requested within twelve months of the original quotation, a charge of £300 applies. It is therefore a good idea to have an adviser lined up in advance of requesting a quotation to avoid a lengthy advice process taking you over the three-month limit.

The Occupational and Personal Pension Schemes (Conditions of Transfers) Regulations 2021 require the Trustee of the Scheme to ensure that specific checks are carried out before complying with a member's request to transfer their pension benefits. The purpose of these checks is to reduce the risk of pensions scams. All transfers need to satisfy one of the following two conditions:

1. You are transferring to one of the following:
  - a. a public service pension scheme – a scheme established by a public authority for civil servants, armed forces, health service workers, teachers, judiciary, police, firefighters and local government workers;
  - b. an authorised Master Trust scheme – details of Master Trusts authorised by the pensions regulator can be found at:  
[www.thepensionsregulator.gov.uk/en/mastertrust-pension-schemes/list-of-authorized-master-trusts](http://www.thepensionsregulator.gov.uk/en/mastertrust-pension-schemes/list-of-authorized-master-trusts); or
  - c. an authorised collective defined contribution (CDC) scheme – once authorised, the Pensions Regulator will publish a list of authorised CDC schemes.

These schemes are known as “safe schemes”. If you are transferring to one of these, the transfer can proceed.

2. Applies to all transfers that are not to “safe schemes” (e.g. a personal pension, self-invested personal pension) and sets out risk indicators by way of red and amber flags. We may need to request additional information from you or contact you in this regard. If a red flag is present, the transfer cannot proceed. If an amber flag is present, the transfer can only proceed if you take scam-specific guidance from MoneyHelper<sup>1</sup> and provide a unique identifier provided by MoneyHelper to confirm that you have discussed the transfer of your benefits with them.

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<sup>1</sup> Further information on MoneyHelper is shown on page 12 of this newsletter.

# Transfers out of the Scheme



Further information on the regulations and what constitutes red and amber flags can be found at: <https://www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailedguidance/administration-detailed-guidance/dealing-with-transfer-requests>

Deferred members are now able to request an illustration of their transfer value via the online member portal. An illustration is not a guaranteed transfer quotation and will not count towards your limit of one CETV quotation per annum.

## Cyber Security



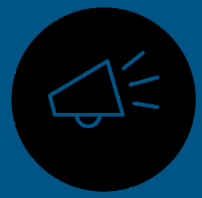
The Trustee is aware of recent high-profile cyber security breaches within the pensions industry. Cyber security is a key consideration for the Trustee and actions have been taken with service providers, including the Scheme administrator, to review the robustness of processes and procedures in place.

In particular, the Scheme Administrator, Isio Group Limited, has provided confirmation to the Trustee of its cyber and data security accreditations and is working with the Scheme's legal advisers to ensure that business continuity plans remain appropriate.

The Trustee will continue to work with its service providers to maintain robust systems and controls.

Further, any learnings from recent cyber attacks within the pensions industry will be reflected upon and enacted where appropriate.

The Trustee wishes to confirm that the Scheme has not been subject to any data breaches and is confident that the systems in place are in line with industry best practice.



## Don't let a scammer enjoy your retirement



Find out how pension scams work, how to avoid them and what to do if you suspect a scam.



Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.

### Scam tactics include:



- contact out of the blue



- promises of high / guaranteed returns



- free pension reviews



- access to your pension before age 55



- pressure to act quickly

### If you suspect a scam, report it

- Report to the Financial Conduct Authority (FCA) by contacting their Consumer Helpline on [0800 111 6768](tel:08001116768) or using the reporting form at [www.fca.org.uk](http://www.fca.org.uk)
- Report to Action Fraud on [0300 123 2040](tel:03001232040) or at [www.actionfraud.police.uk](http://www.actionfraud.police.uk)
- If you're in the middle of a transfer, [contact your provider immediately](#) and then get in touch with MoneyHelper at: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)



## Four simple steps to protect yourself from pension scams

### 1 Reject unexpected offers

If you're contacted out of the blue about your pension, chances are it's high risk or a scam. Be wary of free pension review offers. A free offer out of the blue from a company you have not dealt with before is probably a scam. Fortunately, research shows that 95% of unexpected pension offers are rejected.\*

### 2 Check who you're dealing with

Check the Financial Services Register (<https://register.fca.org.uk>) to make sure that anyone offering you advice or other financial services is FCA-authorised.

If you don't use an FCA-authorised firm, you also won't have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. So you're unlikely to get your money back if things go wrong. If the firm is on the FCA Register, you should call the Consumer Helpline on 0800 111 6768 to check the firm is permitted to give pension advice. Beware of fraudsters pretending to be from a firm authorised by the FCA, as it could be what we call a 'clone firm'. Use the contact details provided on the FCA Register, not the details they give you.

### 3 Don't be rushed or pressured

Take your time to make all the checks you need – even if this means turning down an 'amazing deal'. Be wary of promised returns that sound too good to be true and don't be rushed or pressured into making a decision.

### 4 Get impartial information and advice

**MoneyHelper** ([www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)) – Provides free independent and impartial information and guidance.

**Pension Wise** – If you're over 50 and have a defined contribution (DC) pension, Pension Wise offers pre-booked appointments to talk through your retirement options at: [www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/pension-wise](http://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/pension-wise)

**Financial advisers** – It's important you make the best decision for your own personal circumstances, so you should seriously consider using the services of a financial adviser. If you do opt for an adviser, be sure to use one that is regulated by the FCA and never take investment advice from the company that contacted you or an adviser they suggest, as this may be part of the scam.

Be ScamSmart with your pension. Check who you are dealing with.

[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

\*FCA Financial Lives

**FCA** FINANCIAL  
CONDUCT  
AUTHORITY

 The  
Pensions  
Regulator



It is important that all Scheme members keep their contact details up to date. Please let us know if you move to a new house, or of any other changes (such as your marital status) which may affect your pension, by updating your details on the member portal, or by contacting the Isio Pensions Administration team via post or email (at the addresses set out below).

If you need to update your expression of wishes (to ensure that a spouse or other dependant[s] are nominated to receive contingent benefits when you die), this can be done by completing the appended Expression of Wish form and returning to us, or by completing the expression of wishes section of the member portal (see page 5 of this newsletter for more details on the member portal).

If you opt to contact the administration team directly, certain information will be required as set out below:

- To ensure that we are receiving a genuine address change from you, the member, we need to see some form of official correspondence (a utility bill for example) in your name to the new address. This can be scanned and emailed to the inbox below.
- For a change of marital status, we will need to see the marriage certificate, and cannot accept photocopies of this certificate. We will return this in the post via Recorded Delivery.

## Scheme administration team



During 2023, Isio Group Limited (Isio) acquired Deloitte Total Reward and Benefits (DTRB), the UK pensions advisory business of Deloitte LLP. The Scheme's administration team moved to Isio as part of this acquisition. However, there has been no change to the personnel nor systems in place and the Trustee continues to receive the same level of service as it did previously.

Updated contact details for the Scheme Administrator are provided below:

**Bradford & Bingley Staff Pension Scheme,**

Isio c/o SPS,

PO BOX 4916,

Interface Business Park,

SN4 4RX

email: [bandbpensions@isio.com](mailto:bandbpensions@isio.com)

Tel: 0330 053 4342



For any other pensions related queries that you may have, the following organisations have been established to assist members with queries regarding past or present pension benefits:

**MoneyHelper** (provided by the Money and Pensions Service) may be contacted via their webchat or online query facilities at:

<https://www.moneyhelper.org.uk/en/contact-us>

(Telephone 0800 011 3797)

**The Pensions Ombudsman** may be contacted at:

<https://www.pensions-ombudsman.org.uk/contact-us>

(Telephone: 0800 917 4487)

(Email [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk))

**The Department of Work and Pensions** contact details can be found at:

<https://www.gov.uk/contact-pension-service>

(Telephone: 0800 731 0469)

**The Pensions Regulator** website provided more useful links for who to contact with pensions related issues. These can be found at:

<https://www.thepensionsregulator.gov.uk/en/contact-us/scheme-members-who-to-contact>

(Telephone: 0345 600 7060)

Further, the Trustee appreciates that rising living costs have caused significant financial difficulties for households in recent times. The Trustee encourages members to review the following webpage to ensure that they are aware of any support that they may be able to receive:

**Age UK's** website provides details of the benefits and entitlements that pensioners may be able to receive. There is a useful benefits calculator tool that assists in identifying whether you are eligible to receive support. This can be found at:

<https://www.ageuk.org.uk/information-advice/money-legal/benefits-entitlements/>

# Appendix 1: Summary funding statement



## What is the Scheme's financial position?

A full actuarial valuation of the Scheme was carried out as at 30 June 2021 with further actuarial reports carried out on 30 June 2022 and 2023. The results of which are detailed below:

	30 June 2021	30 June 2022	30 June 2023
The value of the Scheme's liabilities was:	£1,315 million	£1,022 million	£781 million
The Scheme's assets were valued at:	£1,444 million	£1,167 million	£921 million
This means that there was a surplus / (shortfall) of:	£129 million	£145 million	£140 million
Funding level	110%	114%	118%

We are required to inform you whether a payment has been made to the employer, as permitted under the Pensions Act 1995, since we last sent you a summary funding statement. We can confirm that no such payment has been made to the Employer.

## How has the Scheme's financial position changed since you last sent me a summary funding statement?

When we last sent you a summary funding statement we reported that the Scheme was estimated to have a surplus of £145 million at 30 June 2022. The funding level of the Scheme was 114%.

Since 30 June 2022, the Scheme's funding level has improved to 118% at 30 June 2023, with a surplus of £140 million, as shown above. The improvement in the Scheme's funding level is as a result of a larger proportionate fall in the value of the liabilities than the fall in the value of the assets as a result of changes in financial markets since 30 June 2022.

As the Scheme is in surplus, no further contributions are currently expected from the Employer.

To calculate the amount of the surplus, assumptions have to be made about what will happen in the future, for example, the rate at which the Scheme's assets will grow. If the assumptions do not all turn out to be exactly right, it may be necessary to have further contributions to the Scheme. The Trustee will monitor the funding position annually to determine if further contributions are required.

# Appendix 1: Summary funding statement



## Is there enough money in the Scheme to provide my full benefits if the Scheme was wound-up?

The actuarial valuation at 30 June 2021 showed that the Scheme's assets would have been enough to enable the full benefits of all members to be secured with an insurance company if the Scheme had wound-up at that date.

The liabilities if the Scheme were to be wound-up were:	£1,321 million
The Scheme's assets were:	£1,444 million
This means that there was a surplus of:	£123 million

The fact that we have shown the winding-up position does not mean that the Employer is thinking of winding up the Scheme. It is just another piece of information we hope will help you to understand the financial security of your benefits.

The Government has provided a guarantee for the benefits to be paid in certain circumstances if there were insufficient assets in the Scheme.

If it was decided that the benefits on winding-up should be secured with an insurance company, then the Employer would be required to pay any additional amount required in order to enable full benefits to be secured.



## EXPRESSION OF WISH FORM

### Bradford & Bingley Staff Pension Scheme ("the Scheme")

Full Name (Mr, Mrs, Miss, Ms\*): ..... **Please delete as appropriate\***

National Insurance Number: .....

#### Declaration

I express the wish that the person(s) named below receive the capital sum benefits under the Rules of the Scheme in the event of my death.

I understand that the Trustee has complete discretion over the payment of the capital sum benefits and although the Trustee is prepared to consider my wishes, my expression of wish is not binding on the Trustee.

This Expression of Wish Form cancels any previous form signed by me and I reserve the right to revise this form at any time by notifying the Trustee in writing.

#### **Details of Beneficiary(ies)**

Full Name	Relationship to Member	Proportion %
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
Total:		100%

Please add any additional information you may wish the Trustee to take into consideration:

.....  
.....  
.....  
.....

Signed: .....

Dated: .....

# Appendix 3: Lifetime Allowance

The Lifetime Allowance (“LTA”) was introduced in 2006 as a mechanism to limit tax-favoured pension savings in registered pension schemes.

With effect from 6 April 2024, the LTA was abolished altogether. Whilst the LTA itself has been removed, from 6 April 2024 some benefits will continue to be taxed by reference to a similar threshold via the introduction of two new allowances: an “individual’s lump sum allowance” (ILSA) and an “individual’s lump sum and death benefit allowance” (ILSDBA).

These allowances apply across all pension arrangements that a member belongs to and limit the amount of lump sum and lump sum death benefits that an individual can receive tax-free from registered pension schemes.

Please note that the abolition of the LTA was announced by the current government, however this decision may be subject to change or reversal in the future, potentially being reintroduced if a new government comes into power. Your Scheme administrators will continue to monitor the changes to the LTA.