

# Pension News

April 2023

NRAM Pension Scheme



## Contents

Funding update	2
Transition of the Scheme to the public sector	3
Guaranteed Minimum Pension Equalisation (“GMPE”)	4
Online member portal: Intellisite	5
Accessing your benefits (deferred members)	6
Public website for Scheme information	6
Transfers out of the scheme	7
Pension scams	8-9
Keep in touch	10
Scheme administration team	10
Further information	11
Appendix 1: Summary funding statement	12-14
Appendix 2: Expression of Wishes form	15



# Funding update



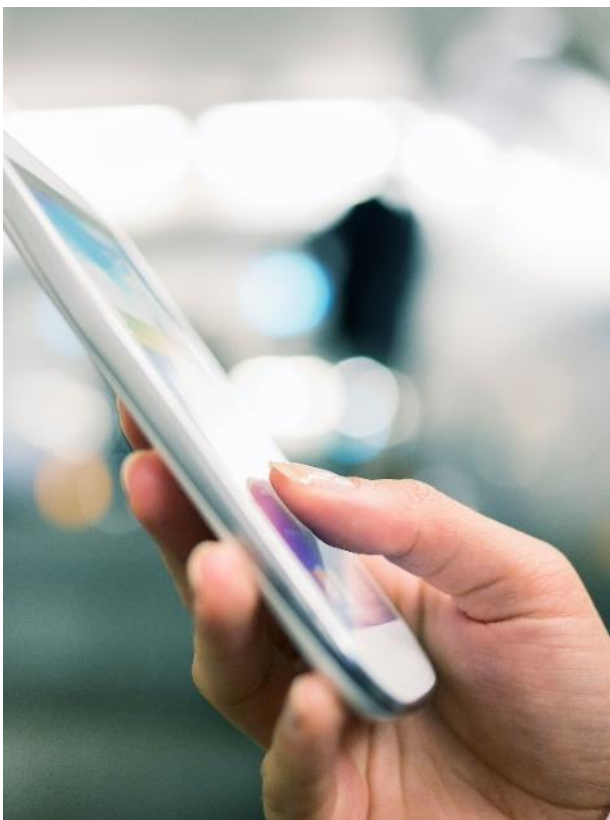
The Trustee formally assesses the funding level of the Scheme every three years.

The most recently completed formal valuation took place as at 5 April 2021. At that date the Scheme had a surplus of c.£75m, and a funding level of c.111%.

Every year, between the formal valuations, the Trustee assesses how the surplus has changed, and as at 5 April 2022 it was estimated that the Scheme had a surplus of c.£74m, representing a funding level of c.111%.

The similarity in the funding position between 5 April 2021 and 5 April 2022 was mainly due to changes in market conditions which decreased the value of Scheme assets but also decreased the value of Scheme liabilities to a similar degree.

As the Scheme is currently in surplus, no contributions are currently 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 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. The Trustee has monitored the Scheme's funding level in light of recent market turmoil which followed the mini budget in September 2022 and is pleased to say that the Scheme's funding level has remained stable.

In addition, in the unlikely event of UKAR not receiving any required funding for the Scheme from HM Treasury via the usual budgeting routes, a Credit Support Deed, established between UKAR and HM Treasury, would require HM Treasury to make payments to the Scheme, on behalf of UKAR, in accordance with the terms of the Credit Support Deed.

# Transition of the Scheme to the public sector



We last wrote to you in September 2022 to update you on the Government’s intention to transfer the members of the Scheme to a new statutory, public service pension scheme.

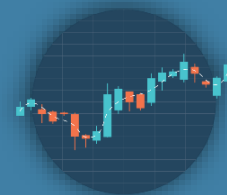
The Public Service Pensions and Judicial Offices Bill received Royal Assent on 10 March 2022, becoming an Act of Parliament on that date. It is now known as the Public Service Pensions and Judicial Offices Act 2022 (the “Act”) – this is the primary legislation under which the powers to establish the new scheme are set out. The Act can be found online at:

[www.legislation.gov.uk/ukpga/2022/7/contents/enacted](http://www.legislation.gov.uk/ukpga/2022/7/contents/enacted)

The Trustee is now working alongside HM Treasury to ensure that member benefits are accurately replicated in the new public service pension scheme rules, which will be contained in secondary legislation.

Although the transfer date is still unknown the Trustee is not expecting the new public service scheme to be in place until 2025 at the earliest. The Trustee is keen to ensure that members are kept up to date with the process of transition and will communicate with Scheme members when more information is available.

# Guaranteed Minimum Pension Equalisation (“GMPE”)



All UK pension schemes are required to equalise the inequalities that arose in the way that GMP accrued for male and female members of contracted-out occupational pension schemes before April 1997. In last year’s newsletter we wrote to inform you that the Trustee had commenced a project to equalise the inequalities in relation to impacted members of the Scheme.

The Trustee has made significant progress on this project. While it is expected that the majority of the work will be completed during 2023 for the majority of impacted members, there will be some actions that run into early 2024.

One complication, which is only expected to impact on a small proportion of the Scheme membership, relates to pension taxation. For the minority of the Scheme membership who have Lifetime Allowance protections or used significant amounts of Annual Allowance or Lifetime Allowance, the Trustee needs to be aware of this to ensure that inadvertent tax charges are avoided when equalising your GMP.



If you have any GMP in the Scheme, which is just one element that makes up part of your Scheme pension benefits, you will have received a letter from the Trustee in the last 12-months in relation to our review of GMP benefits.

The Trustee would like to thank everyone who has so far completed and returned the form provided (where applicable), giving important information relating to your Lifetime Allowance used up, Protections held and/or Annual Allowance used up. If you think that you could be impacted or you have a form of Lifetime Allowance protection that you have not already advised us of, please return the form in relation to potential Lifetime Allowance tax charges, that was sent to you previously, as soon as possible.

The Trustee is currently working with its advisers on the details that make up this review and will write to you again when more is known, which is expected to be in the coming months. Following completion of the necessary calculations, the Trustee will be in touch again to confirm any payments due.

Members may have seen the Government’s March 2023 budget announcement that the tax charge in relation to exceeding the Lifetime Allowance will be removed from 6 April 2023. The Lifetime Allowance framework remains in place for the time being. This means that the Trustee is required to continue to operate checks against the Lifetime Allowance, so the Trustee still needs to have members’ up-to-date information on the Lifetime Allowance.

# Online member portal – Intellisite



Members of the Scheme have all received details of how to register for the online member portal, known as Intellisite (found at [pensions-portal.deloitte.co.uk](https://pensions-portal.deloitte.co.uk)). 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. As well as being able to access Scheme financial information, members are able to update their personal information such as bank details, changes of address, marital status and spouse/dependant information. 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 prepaid envelope appended to this newsletter.

If you encounter any difficulties in registering for the portal, please contact the scheme administrator using the details provided on page 10 of this newsletter and they will be able to assist.

**Deferred members only:** The Trustee has recently enhanced the site's capabilities and is now pleased to announce that deferred members (i.e. those not yet receiving their pension) are able to view their deferred pension inclusive of revaluation to the current date (i.e. with inflationary increases applied since the date that you left the Scheme). The figure given is indicative only and the exact calculation of deferred pensions will be carried out when you retire and will be subject to the overriding requirements of the Scheme's governing documentation.

**Pensioner members:** Pensioners are also able to access their payslips from the Scheme via the portal. In addition, a hard-copy payslip will be posted to you if your monthly net pension changes by more than £1.

# 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 10 of this newsletter.

Additionally, please contact the Scheme administrator if you have made Additional Voluntary Contributions (AVCs) to the Scheme and would like to understand your options to access these.

## Public website for Scheme information



The Trustee operates the NRAM Pension Scheme website that is located at:

[www.nrapensions.com](http://www.nrapensions.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.

The Trustee intends 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 (includes VAT). 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.

New regulations (The Occupational and Personal Pension Schemes (Conditions of Transfers) Regulations 2021) have been published. With effect from 30th November 2021 the Trustee of the Scheme must 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. As set out in the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021, 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/master-trust-pension-schemes/list-of-authorised-master-trusts](http://www.thepensionsregulator.gov.uk/en/master-trust-pension-schemes/list-of-authorised-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.

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-detailed-guidance/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 Intellisite. An illustration is not a guaranteed transfer quotation and will not count towards your limit of one CETV quotation per annum.

<sup>1</sup>Further information on MoneyHelper is shown on page 11 of this newsletter.



## 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 or using the reporting form at [www.fca.org.uk](http://www.fca.org.uk)
- Report to Action Fraud on 0300 123 2040 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 \(https://register.fca.org.uk\)](https://register.fca.org.uk) to make sure that anyone offering you advice or other financial services is FCA-authorized.

If you don't use an FCA-authorized 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



# Keep in touch



It is important that all Scheme members keep their contact details with us 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, Intellisite, or by contacting the DTRB Pensions Administration team in Belfast 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 Wishes form and returning to us using the enclosed pre-paid envelope, 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



If you have any queries, please direct them in the first instance to the Scheme Administrators, Deloitte Total Reward and Benefits (DTRB), who can be contacted at:

**NRAM Pension Scheme,**  
Deloitte Total Reward and Benefits,  
Lincoln Building, 27-45 Great Victoria Street,  
Belfast, BT2 7SL

email: [nrampensions@deloitte.co.uk](mailto:nrampensions@deloitte.co.uk) Tel: 0330 109 4948

# Further information



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)

# Appendix 1: Summary funding statement



## Summary Funding Statement (“SFS”) based on the funding update as at 5 April 2022

In 2022 you received a Summary Funding Statement (“SFS”) based on the Scheme’s most recent financial update as at 5 April 2021. A SFS is something that the Trustee is legally required to send to you to explain how your benefits will be funded. This SFS now summarises the results of the financial update that was carried out as at 5 April 2022.

### The funding target agreed with the Company

The funding target agreed between the Trustee and the Company is for the Scheme to operate on a ‘self-sufficiency’ basis. This means that the Scheme should at all times have appropriate assets that are sufficient to pay all future pension benefits without any further support from the Company.

### What was the funding position of the Scheme on the ‘self-sufficiency’ funding measure?

The table below shows the financial position of the Scheme on the self-sufficiency basis at the date of the last formal valuation, 5 April 2021, as well as the position from the financial update that was carried out as at 5 April 2022.

	5 April 2021 £million	5 April 2022 £million
Assets	754	718
Amount needed to provide benefits (“technical provisions”)	679	644
Surplus	75	74
Funding level	111%	111%

It can be seen from the table above that the surplus in the Scheme at 5 April 2022 was £74 million.

It is pleasing that the Scheme remains in a surplus position. Even though there is a surplus, the funding level will continue to be assessed at 5 April each year and, if a shortfall were to appear, the Company would be required to pay contributions to eliminate the shortfall over a two year period.

The surplus in the Scheme remained stable between the 5 April 2021 formal valuation and the 5 April 2022 funding update due to the heavily matched nature of the Scheme’s investment strategy.

# Appendix 1: Summary funding statement (cont)



## **What levels of contributions are currently payable to the Scheme?**

The Company will meet the administrative and general costs associated with running the Scheme, including PPF and other levies.

As mentioned above, if a shortfall were to appear, the Company will also pay contributions so as to eliminate the shortfall over a two year period.

## **What about normal regular contributions?**

There are no longer any active members of the Scheme and so no normal regular contributions are payable.

## **Your benefits within the Scheme**

Your benefit entitlement under the Scheme is calculated using a formula based on your earnings and length of active membership within the Scheme in the period up to 31 December 2009 plus any transferred in benefits from other schemes, for example if you transferred in any benefits from the Northern Rock (2010) Pension Scheme.

The money to pay pensions for members is held in a common fund. It is not held in separate funds for each individual. However, funds in respect of additional voluntary contributions (AVCs) that have been paid by some members are held in individual funds.

## **What would happen if the Scheme were to wind up?**

If the Scheme were to wind-up, benefits would be secured by buying insurance policies with an insurance company. At 5 April 2022 it was estimated that there would be sufficient funds to ensure that all members' benefits could be bought out with an insurer. However, it is worth noting that the cost of buying out benefits with an insurance company will vary quite significantly over time, as investment conditions change and depending on how competitive the buy-out insurance market is.

If the Scheme were to wind up and the Company could not afford to meet the extra cost of securing benefits with an insurer, the Pension Protection Fund (PPF) might be able to take over the Scheme and pay compensation to members. Further information and guidance is available on the Pension Protection Fund's website at [ppf.co.uk](http://ppf.co.uk) or you can email the Pension Protection Fund at [information@ppf.co.uk](mailto:information@ppf.co.uk).

# Appendix 1: Summary funding statement (cont)



## What is the Scheme currently invested in?

The Scheme's assets broadly comprise two types of investment:

- a bulk annuity contract with Aviva (which provides for the future payments for all of the current pensions in payment at the date of the policy) and
- a Liability Driven Investment (LDI) portfolio which was implemented to provide a better interest and inflation rate match with the liabilities not covered by annuities.

The Scheme's asset split at 5 April 2022 was as follows:

LDI portfolio (including cash)	57%
Annuity policies	43%

## Pensions Act requirements

In accordance with the requirements of the Pensions Act 2004, we confirm that there have not been any payments to the Company out of the Scheme since the last funding statement was issued, other than in respect of general administrative expenses. We also confirm that the Scheme has not been modified by the Pensions Regulator and that no directions, nor a schedule of contributions, have been imposed on the Scheme by the Regulator.

## Looking after your data

Some personal data for members (such as date of birth and pension amount) is required for the running of the Scheme, including paying out the right benefits. The use of this data is regulated under the Data Protection Act, which places certain responsibilities on those who exercise control over the data (known as "data controllers" under the Data Protection Act). Data controllers include the Trustee of the Scheme, and, in certain circumstances, professional advisors to the Scheme. These may include the scheme actuary and WTW, who have provided further details at <https://www.wtwco.com/en-GB/Notices/how-willis-towers-watson-uses-personal-data-for-actuarial-services-to-uk-pension-scheme-trustees>.

## Where can I get more information?

If you have any other questions, or would like any more information, please either email 'nrampensions@deloitte.co.uk' or call the Pensions Helpline on 0113 292 1960. A list of more detailed documents which provide further information is shown overleaf. If you want us to send you any of these documents, please let us know.

Please help us keep in touch with you by telling us if you change address.

Yours faithfully

The Trustee of the NRAM Pension Scheme

# Appendix 2: Expression of Wishes



## EXPRESSION OF WISH FORM

### NRAM 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 Trustees have complete discretion over the payment of the capital sum benefits and although the Trustees are prepared to consider my wishes, my expression of wish is not binding on the Trustees.

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 Trustees in writing.

### Details of Beneficiary(ies)

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

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

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

Signed: .....

Dated: .....

The Trustees and the Scheme administrators, Deloitte, hold and process information enabling them to carry out their duties in respect of the Scheme. This data may be provided to the Trustees’ professional advisers and other pension Scheme trustees, insurance companies or Government bodies where this is necessary in connection with the running of the Scheme and the provision of your benefits. Any individual details will only be processed in accordance with the requirements of the Retained General Data Protection Regulation, Retained Regulation (EU) 2016/679 (UK GDPR).