Your Amey OS Pension Scheme

The latest update

Autumn 2023

Welcome to your Autumn 2023 newsletter

It's our pleasure to welcome you to Amey OS Pension Scheme's latest newsletter.

As Trustee of the Amey OS Pension Scheme, we're in charge of looking after your pension and keeping it safe for the future. We want to keep you up to date with what we've been doing, how the Scheme is funded, and important pension news that might affect you.

In December 2022, we upgraded the security of the Scheme with a buy-in. This means we have an insurance policy that guarantees there will always be enough money to pay members' pensions.

A consortium of leading advisers helped us to complete the deal. We've included more information about who they are and how they're continuing to work with us (p3-4).

The buy-in was a big step towards reducing risk in the Scheme, but we still have work to do. We're continually looking for ways to make sure your Scheme is the best it can be (p5).

Unfortunately, financial crime continues to rise, and pensions are a prime target. Don't let a criminal steal your retirement. Make sure you can recognise the telltale signs of a scam (p7).

You'll also find the latest financial update for the Scheme (p10) and more information about the companies insuring your pension (p13).

Finally, we explain where you can find more information about your Scheme (p15).

If you need to get in touch with us, you'll find the details you need on the back page. Also on the back page, you can find out how to get more out of your pension online.

We're working with our advisers to keep your benefits secure

In December 2022, we completed a 'buy-in' with the Pension Insurance Corporation plc ('PIC'), a specialist insurer of defined benefit pension funds.

What is a buy-in?

A buy-in is when a pension scheme purchases an insurance policy, which guarantees the insurer will provide the money needed to pay pensions for its members.

The policy sits alongside the Scheme's other investments. Because the policy guarantees that there will always be enough money to pay members' pensions, it eliminates the risk of there being insufficient assets to meet those obligations. It means your benefits are secure, and they always will be.

We worked with some of the best advisers in the business to make this happen for you:

XPS Pensions Group acted as lead buy-in transaction adviser

XPS Pensions Group is a leading pensions consulting and administration business, which provides advisory services to schemes like ours. The pension landscape is always evolving, and XPS helps us stay up to date with the latest regulations, guidance and developments.

Squire Patton Boggs gave us legal advice

Every scheme like ours has a legal adviser to help keep up to date with all laws and regulations related to pensions. Squire Patton Boggs helps us do this with ongoing legal check-ins.

Jeremy Clack of Broadstone is the Scheme's actuary

Jeremy was appointed as our new actuary in June 2023. He and the team at Broadstone regularly review the Scheme's finances against the measures we've set to make sure we're on track.

Jeremy has taken the reins from Andrew Allsopp. Andrew remains on hand and can be contacted if needed.

Railpen continues to act as our administrator

Railpen take care of the Scheme's data and are members' primary contact point. They can answer your queries by phone, email or post. Their most important job is making sure that retired members' pensions are correctly paid on time. They also send out retirement or transfer quotes to members who haven't started taking their benefits.

Argyll Covenant is our covenant adviser

Argyll Covenant helps us assess Amey's finances and its ability to continue to meet its commitments to the Scheme. It looks at the Scheme's and the employer's finances and provides expert advice on all aspects including assessments, corporate transactions, funding solutions and negotiations.

Zedra Governance Limited ("ZEDRA") is the Scheme's professional trustee

Professional Trustees are ultimately responsible for ensuring that your Scheme is run properly, and your benefits are secure.

Sam Burden and Payam Kazemian from ZEDRA have been using their expertise to look after your Scheme in a way that benefits members, and keeps pensions safe. They have a wide range of duties and responsibilities related to anything that affects the Scheme. Sam and Payam have over 37 years of collective experience in the pensions industry.

We might contact you about some things we're working on

Here are some of the things we will be working on over the next 18 months. They might mean we need to contact you for some additional information.

Our first priority is making sure there will always be enough money to pay members' pensions. As a result of the buy-in, we now have an insurance policy which guarantees this will always happen. While this has been a headline announcement, the Scheme has lots of moving parts. We want to make sure every part of the Scheme is functioning as efficiently as possible.

We're reviewing members' Guaranteed Minimum Pension (GMP)

Your pension is made up of different elements that you built up over your working life. The value of each element will depend on when you were employed and the pension rules and Government legislation that applied at that time. One element of your pension is called 'Guaranteed Minimum Pension' (GMP).

Due to a legal change, all pension schemes like ours must check that men and women are being treated equally. That means we must make sure that everyone's GMP elements are the same value.

Why is this happening?

In 2018, a High Court ruling was made, which applies to any GMP built up between 1990 and 1997. When GMP was first created, it was based on the way the State Pension worked at that time, which was different for men and women.

As a result, men and women could build up different amounts of GMP, even if they worked for the same period of time on the same pay. Sometimes this could mean a man is better off, and sometimes it could mean a woman is better off.

What is the Scheme doing about it?

We're reviewing the impact of unequal GMP and where necessary amending it. There are two parts to this process:

- **GMP rectification**
  First, we're cross-checking our GMP records with HMRC to make sure our data aligns with theirs.
- **GMP equalisation**
  Then we'll review all affected members' pensions to make sure their benefits are at least as valuable as they would have been if they'd been of the opposite sex.

How might it affect your pensions?

If we need to review your pension, we might find that you are due a small increase – or we might find your pension doesn't need to change at all.

We're reviewing members' pensions and running all the necessary calculations. We expect to be finished by June 2024. If you're affected, we'll write to you. In the meantime, you don't need to do anything.

We're also checking our data

To administer and pay pensions, the Scheme holds data about all our members. This data can include information such as your name, address, date of birth, career history and bank details.

We're in the process of checking all our data to make sure it's complete and up to date. This is something pension schemes commonly do every once in a while, just to make sure there are no errors, inconsistencies, duplications, or missing details.

It takes time to go through all our data and make sure it's all secure and up to date. We hope to complete this exercise by October 2024. Between now and then, if we do find any issues, we might be in touch with you to check your data or ask you to fill in any missing information.

If we do need more information from you, the request will come by phone or email from Railpen, whose information is included on the back cover. Please get back to the Railpen team as quickly as you can – this will help us get any data issues sorted sooner.

How to spot a pensions scam

Anyone can fall victim to a pensions scam. However, you're much less likely to be fooled if you know what signs to look out for.

Pension scammers are sophisticated criminals who are adept at imitating pension professionals. They are very convincing, but there are steps you can take to protect your money.

Do not talk to anyone who contacts you out of the blue about your pension

- Many scams start with an unexpected phone call or an email offering a free pension review. Just say no.
- They might pretend to be from Pension Wise or a government department. These organisations would never call or text to offer a pension review.
- It is illegal to cold call someone about their pension. If anyone calls you offering a free pension review – hang up.

Check that any company you talk to is authorised by the Financial Conduct Authority (FCA)

They might claim to be authorised by the government. You can easily check if they're telling the truth:

- Go to fca.org.uk or call the FCA on 0800 111 6768 to see if they're on the FCA's register.
- They might claim to be from a company on the register. You can check by seeing if their contact details match.

Take your time – do not let anyone rush you

Scammers often urge you to act fast to avoid losing out. They know that the more time you have to think, the more likely you are to realise you're being conned. Don't give them any personal details like your bank details, address or pension information.

If someone won't give you the time to make all the checks you need to, walk away.

Get help if you think you're being scammed

If you've been contacted by someone who could be a scammer, tell us immediately. You can also report them to the police at actionfraud.police.uk and the FCA at fca.org.uk/scamsmart

How we're protecting your pension

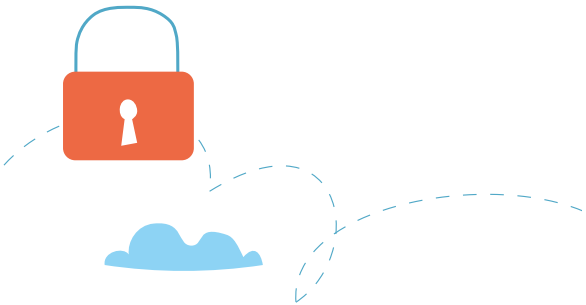
The UK has introduced a new way to protect members of pension schemes who are transferring their money.

When scammers target members of pension schemes, they often try to get them to transfer their pension out of the scheme so the scammer can get hold of the money.

Under new regulations it may take longer to transfer your benefits

Now, if you ask us to transfer your benefits into a new pension arrangement, we'll spend a bit more time reviewing where the money is going. We'll then assign your request a 'flag'.

- A green flag means you've requested a transfer to an established pension arrangement, and we're not worried about it.
- An amber flag means we need to do some extra checks.
- A red flag means we think it's likely to be a scam.



Maybe you want to transfer your pension abroad or your transfer request shows signs of being a scam. In those cases, you'll get an amber or red flag and you'll be told to seek financial advice using the government website, moneyhelper.org.uk

If lots of schemes around the UK assign an amber or red flag to a pension arrangement, or if lots of amber or red flags seem to involve a single unregistered 'adviser', it could trigger a government investigation.

This new system is another way for the pensions industry to pool our knowledge and try to stop scams. As always, we'll keep on top of any new regulations like these, continue to monitor any potential threats, and keep doing what we can to protect you and your money.

Speak to an Independent Financial Adviser

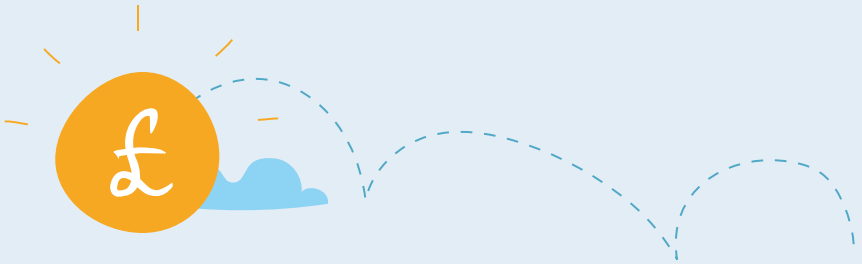
If you're thinking about transferring your benefits to another pension arrangement and they're worth more than £30,000, you'll have to speak to an Independent Financial Adviser (IFA) first. They can give you financial advice on what's best for you. To find an IFA to talk to, you can get started at moneyhelper.org.uk

Pension Scammers: Don't Get Suckered In

This short animation shows just how easy it is to get suckered in by a scammer. Go to YouTube and search for **Pension Scammers: Don't Get Suckered In** to watch it. Please share it with anyone you know who might be thinking about moving their pension money.

The latest summary funding statement

As at 30 September 2022



The Trustee has a statutory duty to provide you with an annual update on the Scheme's funding position. This update reflects the accelerated funding contribution from the Company for the purpose of the buy-in (see page 3).

Some assets were used to purchase an insurance policy, which guarantees there will always be enough money to pay members' pensions. This means the Scheme is more secure, even though its assets have decreased.

An update on the Scheme's financial position

As your Trustee, we work with Amey to make sure the Amey OS Pension Scheme is properly funded, secured and governed. A big part of this work is checking we have the assets we need to continue paying benefits long into the future.

To show you how your section of the Scheme performed in 2022, here's the latest annual update.

The funding of a scheme shows the value of its assets compared with its liabilities. This can be expressed either as a percentage difference (funding level) or as a numerical difference in pounds (a surplus or a shortfall).

Here's how the Accord section performed

Here's how the assets and liabilities changed in the Accord section of the Scheme between September 2021 and September 2022:

September 2021	
Assets £94,539,000	**Liabilities** £67,949,775
Funding level 139%	**Surplus** £26,589,225

September 2022	
Assets £58,670,000	**Liabilities** £48,069,000
Funding level 122%	**Surplus** £10,601,000

Every three years, we have an independent actuary formally review the Scheme. This review is called a 'valuation'. The latest valuation took place in September 2020.

Other calculations of the Scheme's funding level

The actuaries also produce a figure for the 'solvency position' of a scheme as part of the full valuation every three years. This is based on how much money the scheme would need to pay an insurance company for a 'buyout', which is similar to the buy-in we describe on p3.

A buyout sees the insurance company take over all legal responsibility for the scheme's members and pay their pensions directly. This allows the scheme to 'wind up', or close down.

When calculating our solvency position, we take into account some assumptions about the future, such as the rate of investment returns and how many members will retire or leave the Scheme.

If the decision was taken to wind the Scheme up, it would need to be 100% funded on a solvency basis. At our last valuation in 2020, your section of the Scheme was 59% funded based on this calculation. In 2022, this increased to 75%.

Payments between the Scheme and the company

The company contributes money to the Scheme every month. We invest this money to generate more returns. Contributions are agreed between the company and the Scheme, and are based on how well-funded the Scheme is at the time.

We're required by law to tell you whether or not any money was sent from the Scheme back to the company. We can confirm this didn't happen at any point in the last year. We can also confirm that we didn't receive any directives from The Pensions Regulator.

Accord funding levels are in good shape

In the longer term, we have a strategy for all sections of the Scheme to be 'self-sufficient'. Self-sufficiency is when the Scheme is no longer reliant on the employer to make future contributions.

On this basis, the Accord section of the Scheme had 98% of the money it needed to become self-sufficient as at September 2022.

If you want to know more about the funding of the Scheme, please get in touch with your Scheme administrator, Railpen. See the back page.

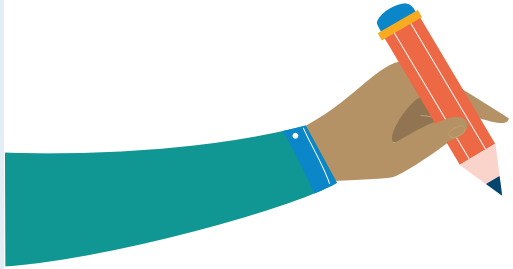
Your pension is in safe hands

Our members' pensions are now paid by two leading financial service companies.

As a result of the approximately £400m buy-in which happened in December 2022, Pension Insurance Corporation (PIC) pay current and future pensions for our nearly 3,500 members.

The policy sits alongside similar policies that we've held with Just Group for certain pensioner members since 2016. The vast majority of the Scheme's benefits are now fully insured.

We'd like you to know a bit more about the companies who have helped us take this huge step towards reducing risk for the Scheme, and enhancing the security of all members' benefits.



Who is Pension Insurance Corporation plc (PIC)?

PIC is one of the UK's leading pension insurance providers, specialising in taking on and managing the long-term risks associated with defined benefit pension schemes.

PIC's purpose is to pay the pensions of its current and future policyholders. It has a portfolio of £41 billion (as at year end 2022), backing payments to its 300,000 policyholders. To date, PIC has paid more than £10 billion in pension payments to its policyholders, with a 99% customer satisfaction rating. It has more than £11 billion invested in the UK in sectors such as social housing, renewable energy, and urban regeneration projects, creating considerable social value.

PIC have insured the benefits for over 250 pension schemes including Philips, Cadbury, Boots (Alliance UniChem), Honda Racing, British Steel, BHS, Co-Op and M&S. The company have completed more than 75 repeat transactions with trustee clients.

You can find out more about PIC at www.pensioncorporation.com, and read their Privacy Policy at www.pensioncorporation.com/privacy-policy/

Who is Just Group (Just)?

Just is a specialist financial services group. It's a leading and established provider of retirement income products and services to individual and corporate clients.

Just is a fast growing company with over 1,100 staff and more than 650,000 customers in the UK. It is trusted to look after more than £23bn of pension savings by its customers.

The company has a clear and compelling purpose – to help people achieve a better later life. It does this by providing financial advice, guidance, competitive products and services to those approaching, at and in-retirement.

To find out more about Just, go to: www.justgroupplc.co.uk

Get more information about your Scheme

How we run the Amey OS Pension Scheme is your business. If there's any information you particularly want to know, all you have to do is look on the website or get in touch.

You'll find the contact details for Railpen, your administrators, on the back of this newsletter.

We want to make sure you're getting information quickly and not missing out. So please keep us updated with any changes in your home address or email address by contacting the Scheme administrators.

If you'd like to know more about the Scheme's finances, go to my-amey-os-pension.com to find out more about your section of the Scheme. Under 'Scheme documents' you'll find our annual accounts since 2015. Our annual accounts can tell you about the assets and liabilities in the Scheme, how many members we have, and how our investments perform from year to year.

If you have any questions about your pension, please contact your Scheme administrator, Railpen.

Call: 0345 112 0025

(Calls may cost up to 9p a minute from a UK landline depending on your call package)

Email: amey@railpen.com

Write to:
Amey OS Pension Scheme
PO Box 193
Darlington DL1 9F

Check the website regularly for the latest Scheme and pensions news: www.my-amey-os-pension.com

If you're tech savvy, you can use our RSS feed to alert you to anything new.

Get more out of your pension online

It's never too early to start planning for your future, no matter how near or far your retirement may be.

You can use the tools and information on our website to help you understand more about your membership and the benefits and options available to you.

You can download forms, check out the latest Scheme and pensions news, and find the answers to common questions. Go to my-amey-os-pension.com

MoneyHelper

MoneyHelper is the government-backed website to help make your money and pension choices clearer. It's completely free and offers impartial information. Go to moneyhelper.org.uk

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