Your Amey OS Pension Scheme

The latest update

Summer 2021

As Trustee of the Amey OS Pension Scheme, we're in charge of looking after your pension and keeping it safe for the future. These newsletters keep you up to date with what we've been doing, and how the scheme is funded.

In this edition, we remind you of the benefits your pension brings you and the choices you have – both before and after retirement. We've also got the latest scheme valuation to share with you, and some tips to keep you safe from pension scams.

Welcome to your Summer 2021 newsletter

We know our members might still be worried about any impact COVID-19 may have had on their pension, so I wanted to reassure you that's not the case.

COVID-19 caused major disruption to global stock markets in 2020, and its impact continues to be felt in some quarters. But since our last update, the scheme's finances have continued to perform well – and the good news is you have a Defined Benefit (DB) pension. So it's not directly related to how the stock market performs.

If you've made Additional Voluntary Contributions (AVCs), the value of this pot might be affected by the changing value of stocks and shares. There's more information about this, and how to contact your scheme administrator, RPMI, with any queries on page 16.

In this newsletter, we give you the latest news about the company and the scheme (page 2). We remind you of the key benefits you get as a member of the Amey OS Pension Scheme (page 6). We also show you how to give your pension a spring clean, and what to do if your circumstances change (page 8 and 9).

We recently appointed Barnett Waddingham LLP as our oversight manager to review our investment strategy. They will report back to the Trustee on how the fiduciary manager's investment strategy is performing and check we're getting the best outcomes for members. So we thought it would be timely to remind you about how the money in the scheme is invested and who looks after it (page 17). And how we're making more information about our investments available to you (page 19).

And finally, we're pleased to bring you the latest funding update, which shows that the Accord section of the scheme is performing well (pages 13-15).

Our administration team at RPMI are still on hand for all your queries. You can find out how to contact them on the back cover if you have any questions about your pension.

Yours sincerely,

Kim Nash
For and on behalf of the Trustee

News

As you may be aware, Ferrovial (the parent company of Amey plc) has relaunched its proposal to sell Amey plc this year. We're talking to Amey plc regularly to understand what effect, if any, the sale would have on the covenant and the funding of the scheme. We'll keep monitoring the situation with our advisers, to make sure the scheme is treated equitably, and the best outcome is achieved for members. And we'll update you via the scheme website or in future newsletters when we get more information.

An update on the team

We now have two independent trustees on the board to make sure we've got different voices for the scheme. We introduced you to Kim last year, now meet Dan who's just joined us. Any major decisions for the scheme will be signed off by both Kim and Dan, as well as the rest of the Trustee.

Meet Dan Richards

Why did you become a trustee?

I started my career advising trustees. I soon realised that trustees get to support and oversee a huge range of projects, and I found this spectrum of activity really appealing. I've stayed in pensions my entire career because I believe we can make a difference to the wellbeing of members' lives – and we can make a wider social impact through responsible investing.

What makes a good trustee?

A good trustee draws on their advisers' knowledge and their own experience to help make decisions. There are real people behind all the numbers and forms, and we should be looking out for them. We need to be aware that each piece of work and each member case needs to be treated with care and diligence. We also need to be far-sighted, agreeing investment strategies and funding plans with sponsors that will work to secure members' benefits for decades to come.

What's the best thing about being a trustee?

Meeting new people and learning about them. You can be overseeing communications with a bereaved member, or discussing confidential information with a Chief Financial Officer – each situation calls for a different approach. But there's almost always a person behind the work who you can get to know and figure out how to help.

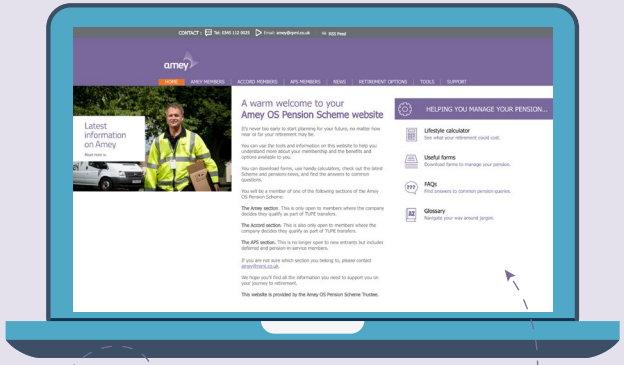
What do you do in your free time?

Normally I would say I like to travel, but that's been off the cards for a good while now! The real answer is I lost all of my free time when my daughter was born last summer. But if there's ever a spare moment, I still love to play video games with my family and friends.

Have you visited the Amey OS Pension website?

It's never too early to start planning for your future, no matter how far away your retirement might be. The Amey OS Pension website can help you. Go to www.my-amey-os-pension.com to see how.

You can use the tools and information on the website to help you understand more about your membership and the benefits open to you. Each one of the tools below can be found on the right-hand side of the website's homepage.



Lifestyle calculator

While you're working, you'll be used to a steady income. But what happens once you retire? You'll need money to pay for bills, transport, accommodation and healthcare. And you'll still want to do all the things you enjoy.

So how much might you need? You can use the lifestyle calculator on our website to work out how much your chosen lifestyle might add up to. Simply pick the things you'll want to afford during your retirement and the calculator will work out roughly how much it could cost you each year. Go to www.my-amey-os-pension.com and click on 'Lifestyle calculator' on the right-hand side of the homepage.

Expression of Wish form

We all want to provide for our loved ones, so it's good to know that your scheme membership can include paying a valuable lump sum to them after you're gone. If you nominate a beneficiary, the Trustee may use this to help direct your benefits to the right person. **To find out the benefits your loved ones might get, please contact the scheme administrator, RPMI.** You can find their contact details on the back cover.

To nominate one or more beneficiaries from your family members, other significant people in your life, or an organisation such a club or charity, visit the website to fill in an Expression of Wish form at www.my-amey-os-pension.com/tools/forms You can learn more about this on page 8.

Common questions members ask us

We've brought together the most commonly asked questions we get about pensions and answered them on the website. Check our FAQs to find the answer to questions such as, 'How is my pension taxed?' and 'What happens to my pension if I leave Amey?' Go to www.my-amey-os-pension.com and click on the 'FAQs' on the right-hand side of the homepage.

Your member benefits and choices

Over the next few pages, we remind you of the benefits your pension brings you and the choices you can make – whether you're considering stopping work or have already retired.

Plan when you're going to retire

We calculate the value of your pension based on the age at which we think you'll start taking it. For the Amey OS Pension Scheme, we usually assume you'll start taking your pension from age 65. The date at which you reach this age is known as your 'Normal Retirement Date' (NRD). **You can find out your NRD by getting in touch with your scheme administrator, RPMI, using the contact details on the back of this newsletter.**

You have the freedom to choose when you retire

You don't have to start taking your pension at your NRD, and you don't have to stop working if you do.

- **You can retire early**
  You can choose to take your pension before your NRD, although the value of your pension will be reduced to reflect your age. Just contact the scheme's administrators, RPMI, to find out at what age you could draw your pension and how that affects the amount you get.

  You can take your pension early, but you'll need to have the consent of the Trustee. The earliest you can currently take your pension under normal circumstances is from age 55.

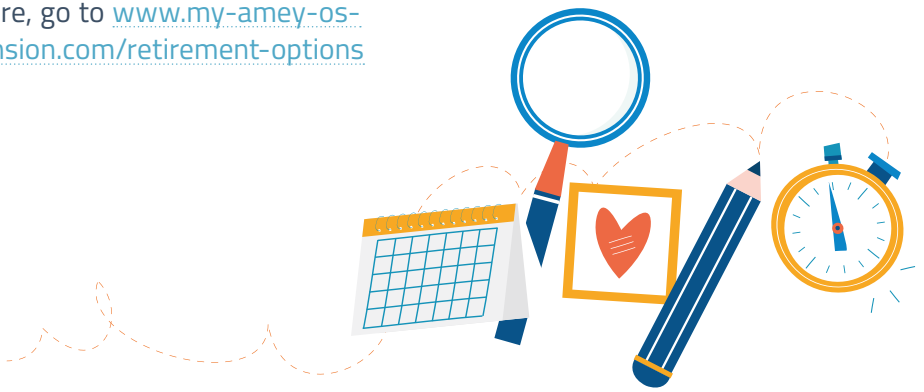
- **You can retire later**
  You can keep working past your NRD and the value of your pension will be protected. You might want to retire later if, for example, you're affected by the recent change in the State Pension age (see below).

  If you're thinking of taking your pension late then please contact the scheme administrators at amey@rpmi.co.uk

Find out how these options might affect you by using the lifestyle calculator on our website to work out how much money you might need in your retirement. And to see your different options for what to do with your money when you retire, go to www.my-amey-os-pension.com/retirement-options

The State Pension age is going up

If you were born between 6 April 1970 and 5 April 1978, your State Pension age is currently 67 years old and is due to go up to 68. This might change your plans, especially if you think you'll need the extra income from the State Pension to stop working. If this is the case, you can choose to keep working and the value of your pension will be protected. To check what your State Pension age is, go to www.gov.uk/state-pension-age



Give your pension a spring clean

Even if you've started taking your pension, it's good to make sure you've planned for the future should anything happen to you.

Here are 3 things you can do to help keep your pension in shape.

1. Make sure we know your wishes

Who do you want your pension benefits to go to when you die? Please fill in an Expression of Wish form to let us know.

When you die, the Trustee can pay a pension to your spouse or any other loved ones you've nominated. If you don't have a spouse, or your spouse subsequently dies, the Trustee may pay a pension to a dependant or other loved ones. If you haven't done so already, please fill in an Expression of Wish form to let us know who you would like your pension benefits to go to when you die. The Trustee will then consider your nominations.

The quickest way to fill in the form is online by going to www.my-amey-os-pension.com/tools/forms Or, if you prefer, you can get in touch with your scheme administrator, RPMI, using the contact details on the back of this newsletter.

Remember to update your Expression of Wish form if your personal circumstances change.

2. Let us know about any changes in your home address or email address

We want to make sure you're getting information quickly and not missing out. So please keep us updated with any changes in your address or email address by contacting the scheme administrators at amey@rpmi.co.uk Or you can write to them using the address on the back cover of this newsletter.

3. Make a will

Just as your Expression of Wish tells us what you'd like to happen with your pension in the scheme, your will tells everyone what should happen to your money, possessions and property after you die. Together, these things are called your 'estate'. If you don't leave a will, the law decides how your estate is passed on – and this might not be what you want. So it's a good idea to get your wishes down now to protect your loved ones in the future.

The Money Advice Service has a step-by-step guide to making your will. Just go to www.moneyadviceservice.org.uk/en/articles/planning-what-to-leave-in-your-will Or you can call them on 0800 138 7777. They're open Monday to Friday, 8am to 6pm.

What to do if your circumstances change

Here's what happens to your pension in the event that something unexpected happens in your life.

If you get ill while working for Amey, you may be able to take your pension early

None of us likes to think that we may fall ill. But if you need to stop working at Amey because of ill-health, you can apply for ill-health benefits. And if your illness means you can no longer work for Amey, you may be able to take your pension earlier than planned.

You will need to meet certain criteria before you'll be allowed to take ill-health benefits. Amey manage all ill-health requests, so you would need to get in touch with them at pensionsadmin@amey.co.uk to see if you're eligible.

If you leave the company and join another pension scheme, you could take your benefits with you

If you join another company with its own pension scheme, you might decide to transfer your benefits in the Amey OS Pension Scheme to your new scheme.

Please think very carefully about transferring your pension to another scheme

Your Defined Benefit (DB) pension gives you a guaranteed income for the rest of your life. Most pension schemes open to new joiners are Defined Contribution (DC) arrangements. These can give you greater choice in how to use your pension when you retire, but your income in retirement would no longer be guaranteed.

If you're thinking of transferring your benefits from the Amey OS Pension Scheme, you should ask RPMI for a 'transfer value' – also known as a Cash Equivalent Transfer Value (CETV). You can call them on 0345 112 0025 or email amey@rpmi.co.uk Calls may cost up to 9p a minute from a UK landline depending on your call package.

It's important to get proper advice about your finances

You need to get professional advice from an Independent Financial Adviser (IFA) before transferring your Defined Benefit pension if it has a transfer value of more than £30,000. Even if your transfer value is less than £30,000, we recommend speaking to an IFA before making any decisions. You can find IFAs in your local area at directory.moneyadviceservice.org.uk/en

Visit The Pensions Advisory Service or Pension Wise websites for more information on transfers at www.pensionsadvisoryservice.org.uk or www.pensionwise.gov.uk/ If you have a defined contribution pension, you can also learn more about your options at retirement on the Pension Wise website.

Scams have increased 400% in the last year

Since the pandemic started, the National Fraud Intelligence Bureau (NFIB) has seen a 400% increase in scam attempts. And members of pension schemes are a prime target. Scams are getting more sophisticated and harder to spot. So here's a reminder of some tips to help you avoid them.

Stay safe

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. Don't be tempted. It doesn't matter how friendly or helpful the person who calls seems, or how professional their website looks.

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

They might claim to be authorised by the government, but that's not enough. Check they're FCA-regulated at register.fca.org.uk or by calling the FCA on 0800 111 6768. If they're on the register, make sure the contact details you've been given match.

Get independent advice from a professional

Don't be persuaded by friends, colleagues or family. Find an independent financial adviser who's qualified to talk to you about your pension at directory.moneyadviceservice.org.uk

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 be pressured into giving out personal details like your bank details, addresses or pension details.

Get help if you think you're being scammed

If you've been contacted by someone who could be a scammer, tell RPMI immediately using the contact details on the back of this newsletter.

You can also report the scammer to the police at www.actionfraud.police.uk and the FCA at www.fca.org.uk/scamsmart

The latest summary funding statement

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 making sure 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 2020, here's the latest annual update.

Overall, the Amey OS Pension Scheme is still fully funded

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 (a surplus or a shortfall).

In the year September 2019 to September 2020, the overall combined value of the assets in the Amey OS Pension Scheme decreased by £159m, but the scheme remains fully funded.

Here's how the Accord section performed

Here's how the assets and liabilities changed in the Accord section of the scheme between September 2019 and September 2020:

September 2019	
Assets £90,184,000	**Liabilities** £72,916,000
Funding level 124%	**Surplus** £17,268,000

September 2020	
Assets £87,802,000	**Liabilities** £72,284,000
Funding level 121%	**Surplus** £15,518,000

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. Since the 2017 valuation, the overall value of the assets in your section of the Amey OS pension scheme increased by £26m.

Assets are the investments that the scheme holds. Their value can increase from investment returns and from contributions from the company.

Liabilities represent the pension payments we make to members now and in the future, and include any assumed changes in the economy and membership of the scheme.

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 to cover all the scheme's liabilities. It takes into account some assumptions about the future, such as the rate of investment returns and how many members will retire or leave the scheme.

At our last valuation in 2017, your section of the scheme was 47% funded based on this calculation. In 2020, this had increased to 59%.

To be fully funded, a scheme would have to have a funding level of 100%. But very few schemes in the UK are at this level, and there's no requirement for them to be. A funding level of less than 100% doesn't prevent benefits and transfers from being paid in full.

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. Following the September 2020 valuation, we've negotiated new ongoing contributions from the company in line with our long-term strategy to make the scheme 'self-sufficient'.

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 satisfactory

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 92% of the money it needs to become self-sufficient as at September 2020. The funding levels for other sections of the scheme were both good as well.

We expected volatility in the market as a result of COVID-19. So it's pleasing to see this year's position is slightly better than last year, when the scheme had 89% of the money it needed to be self-sufficient. We continue to closely monitor the funding level, and we're invested in a broad range of asset classes – which helps protect the value of the assets in the scheme.

If you want to know more about the funding of the scheme, please get in touch with your scheme administrator, RPMI.

How to check the money in your AVC pot

Some members save Additional Voluntary Contributions (AVCs) alongside their scheme pension, to build up extra money for when they retire.

If you have AVCs, you have different choices about how to invest them depending on the part of the scheme you're in and which of these organisations looks after your AVCs:

- **The Prudential Assurance Company Limited**
- **Legal & General**
- **Utmost Life and Pensions Limited** (used to be known as Equitable Life)

To review your AVCs, get in touch with RPMI

You should regularly review how you invest your AVCs, to make sure they are still in a suitable place for you. For example, when you are getting closer to retiring, you might want to have your money in lower risk investments, to protect their value.

You can contact your scheme administrator, RPMI, if you have any questions or want to make any changes to the funds your AVCs are invested in. See the back cover for their details.

Since COVID-19, the market has been volatile

Recent changes in the global stock market could have affected the value of your AVC pot, depending on how you've chosen to invest it.

For example, things like government bonds and property are less affected by changes in the stock market. So if you've chosen to invest your pot in those kinds of investments, we expect it to be less affected by recent changes than if it were only invested in things like equities.

If you're expecting to retire soon, there's a chance that there will be less in your AVC pot than you'd hoped, because of this market volatility. If you're more than 5 years from retiring, there's more time for your AVC pot to stabilise.

How we manage the money in the scheme

The money in your pension scheme doesn't just sit in a vault until you're ready to take it. It's invested to help it grow, so we can sustain the scheme and keep paying members' pensions long into the future.

There's always some level of risk when investing money. But we're constantly working to reduce risk to the lowest acceptable point without endangering the rewards of investing. So we work with the scheme's investment consultants to decide which assets to invest in – to get good returns without taking too much risk.

Here are some of the things this involves.

- When we're making assumptions about how we invest and what returns we expect, we're thoughtful and cautious. This means that if something happens that badly affects investments in general, our investments shouldn't suffer as much as if we'd adopted a less prudent approach.
- We check regularly to make sure that the company is in a position to meet its commitments to the scheme. If we think there's a problem, we talk to the company about how to sort it out.
- We bring in experts to help us monitor how the scheme's investments are performing. As circumstances change, they also help us decide whether we need to adjust our investment strategy to make sure we're still on track to pay pensions when we need to.

We've appointed Barnett Waddingham LLP to oversee our investment strategy

We've appointed Barnett Waddingham LLP as our independent oversight manager to review our investment strategy. They'll start by reviewing our existing fiduciary manager to check that we're getting the best service available in the market. We'll update you on the results of their review next year.

Our fiduciary managers implement the scheme's investment strategy. This involves making sure we're managing our exposure to risk well. They advise us on what to do next, and with our agreement will carry it out. They focus full-time on diversifying our portfolio, allocating our assets to the right investments and keeping an eye on interest rates and currency risks.

As your Trustee, we'll always be the ones accountable for the scheme's finances. But appointing Barnett Waddingham LLP to check on the investment strategy is another way we can protect members' money and make sure we're getting the best outcomes for you.

We're always working to secure your benefits

As your Trustee, we're here to make sure that the money in the scheme is invested well on your behalf. We know the ins and outs of the way we invest, and we're on top of all the technical details and regulations. But we want you to have that information too, as you'll be the main beneficiaries of what we do.

That's why we've created a guide to the scheme's 'Statement of Investment Principles' (SIP). This tells you in simple terms how we invest the money in the scheme, who's in charge of looking after it day-to-day, and where you can find more information if you want it. You can find a copy of the SIP guide at www.my-amey-os-pension.com or, if you would like a hard copy, please contact the scheme administrators at amey@rpmi.co.uk

Choose your section of the scheme from the menu at the top and click on 'Scheme Documents' to read the 'Member-friendly SIP'.

We have expert advisers to help us implement our strategy

It's not enough to simply plan how we want to invest the money in the scheme. We need to show that we're following through on our investment principles in what we do. That's why we've put together an Implementation Statement. It's like a report showing how well we've done against our investment principles.

Look out for the implementation statement in the summer. We'll put it online for everyone to see. Just go to www.my-amey-os-pension.com, choose your section of the scheme from the menu and click on 'Scheme Documents' to read it.

If you have any questions about your pension, please contact RPMI, your scheme administrator.

Call: 0345 112 0025

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

Email: amey@rpmi.co.uk

Write to:
RPMI Limited
Amey Pension Scheme
PO Box 193
Darlington DL1 9FP

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.

During COVID-19, RPMI is prioritising some queries over others

It's business as usual for RPMI, but under the circumstances, the team are prioritising urgent queries and processes. For example, they're making sure that everyone's monthly pensions are paid on time, members are still able to retire in good time, and death benefits are being settled quickly and efficiently.

This means it may take longer than usual for RPMI to respond to any other queries that you send. But rest assured the team will respond to you as soon as possible.

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