

University of Dundee Superannuation and Life Assurance Scheme (UoDSS)

University Pensions Office

University of Dundee

Dundee

DD1 4HN

pensionsoffice@dundee.ac.uk



2022 Newsletter from your Trustee Chairman

Dear Member,

Welcome to the fourth edition of our Trustee Newsletter. We start with two significant items of Scheme news. For the first it is important to stress that there is no change to your existing benefits that are already built up in the Scheme.

Future Benefit Provision

Following further consultation over the first half of 2022, the University has decided to close the UoDSS Scheme to new entrants with effect from 31st December 2022. New recruits will be invited to join a new "defined contribution" pension plan where a pot of benefits is built up from employee and employer contributions and investment returns, but crucially with no guarantee of emerging pension amounts or link to earnings. In addition the University has decided to reduce the amount of pension built up in future for existing members of UoDSS from 1/80th to 1/100th. A cash sum of three times the pension will also be provided on retirement. Benefits building up after 1st January 2023 will be available or promised at age 66. Members may however still draw these benefits earlier or later than age 66. There will also be an increase of employee contributions from 7.75% to 8.75% of earnings. These changes will take effect from 1st January 2023 and there is no change to benefits built up before 1st January 2023. Death in service and ill health protection benefits continue. It is important to note that the UoDSS Scheme trustees look after the benefits promised and cannot influence employment contract terms.

Trustees

During the Scheme year the trusteeship of the Scheme was transferred from individual trustees (employer and employee nominated trustees) to a specially created Trustee company, the University of Dundee Superannuation Scheme Trustees Limited, Company number SC717719, with the old trustees appointed as the new company directors. This doesn't affect your scheme benefits in any way.



Scheme Advisers and External Administrator.

Following an open market competitive tender process in early 2022 the Scheme trustees decided to replace the existing external administrators, Equiniti, and Scheme advisers, XPS, with Spence & Partners. The tender process involved providers in the market submitting comprehensive tender proposals, with virtual video presentations and for the final short list, site visits and external references. Spence & Partners were considered clear leaders from a technological and competitive perspective. The transfer of responsibilities is being phased over several months with the aim of avoiding any impact on member servicing of benefit payments. The Trustee will share your personal data with Spence & Partners as part of the transfer of responsibilities and a data privacy notice outlining the ongoing use, transfer and storage of your personal data will be provided in due course. Further announcements will follow to contributing members, pensioners and former employees.

We welcome any questions or feedback you have, either on this newsletter or any aspect of the Scheme.

Yours faithfully

A handwritten signature in black ink, reading "Keith Swinley".

Keith Swinley

**Chairman of the Trustees of the University of Dundee Superannuation and Life Assurance Scheme
November 2022**



Coronavirus (COVID-19) and your pension – what you need to know

As we begin to navigate life post-pandemic, we hope to give you some peace of mind regarding your pension benefits and reassure you that we are working hard to make sure the Scheme continues to run as usual.

We are in regular contact with our advisers and the University to discuss the principal risks that the Coronavirus and other factors may have on the Scheme and how well we are placed to minimise their impact on you.

Furthermore, we wish to re-emphasise the following points from our previous newsletter:

- **You'll keep on getting your pension as normal**
- **Be extra vigilant on pension scams (please refer to the article on page 5)**
- **There is no longer a suspension on the provision of Transfer values**

You may recall that previously the Trustee had placed a temporary hold on transfer value quotations. This was a temporary measure that has now been lifted.

Please note that you have a statutory right to transfer from the Scheme. If you request a transfer value quotation, this will be provided to you within the statutory timescales.

- **Where can I get more information?**

The Trustee will look to issue further updates to you as appropriate.

Help is at hand

For further information about your pension, questions you may have about this newsletter or to update your personal details, please contact Marion Imrie, Pensions Office, University of Dundee. Marion can be reached by email (pensionsoffice@dundee.ac.uk).

A list of funding and related documents as well as further information on the Scheme (including the Trustee's Privacy Notice) can be found in the Pensions Pack on the Scheme website which is given below:

www.dundee.ac.uk/payroll-pensions/pensions/uodss

Additional Voluntary Contributions

Active members are able to increase benefits by paying Additional Voluntary Contributions (AVCs) via the money purchase AVC policy with Prudential.

Further information can be obtained from the Pensions Office.



Summary from the latest Scheme accounts

Below is a summary of the latest audited Scheme report and accounts for the year to 31 July 2021. The full annual report has been audited by BDO LLP and a copy is available on request. Totals may not sum due to rounding.

All figures are in £000	
Income	
University contributions (accrual, including employee salary sacrifice)	5,450
University contributions (deficit recovery, regular)	2,016
University contributions (special, one-off deficit recovery)	-
Employee contributions	146
Other income	96
Total	7,708
Outgoings	
Retirement and death benefits	(4,906)
Payments to and on account of leavers	(503)
Administration expenses	(1,876)
Total	(7,286)
Income less Outgoings	422
Snapshot	
Value of the Scheme's assets at 31 July 2020	129,565
Incomes less Outgoings	422
Increase in market value of the Scheme's investments	15,865
Value of the Scheme's assets at 31 July 2021	145,852

At 31 July 2021, there were 2,299 members of the Scheme of whom 980 were active, 743 were deferred members, and 576 were pensioners.

Investment update

The Trustee is responsible for managing the Scheme's investments and our overall aim is to achieve returns that can help grow the assets but at an acceptable level of risk. We review the Scheme's investment strategy regularly with our advisers to ensure that it remains appropriate for market conditions and the level of the Scheme's current liabilities.

The assets of the Scheme were managed during the year to 31 July 2021 by Baillie Gifford & Co, Aberdeen Standard Investment Limited, Partners Group (Guernsey) Ltd, and Legal & General Investment Management (LGIM).

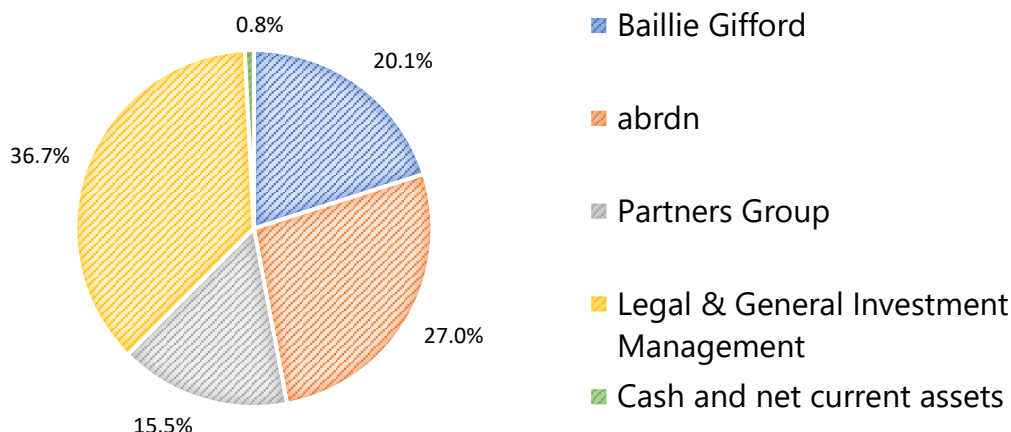
Day-to-day management of the portfolio including full discretion for stock selection is the responsibility of the investment managers.

The value of the assets of the Scheme as at 31 July 2021 was £144.7m which represents an increase of c.11.3% over the year (31 July 2020: £126.7m).

The chart overleaf shows the split of the Scheme's assets as at 31 July 2021.



Allocation of Scheme assets as at 31 July 2021



Pension increases

The pension you receive from the Scheme is increased each year in line with the rates of increase set out in the Scheme Rules. The Trustee agreed to increase pensions in payment in excess of Guaranteed Minimum Pension (GMP) in April 2022 by:

- 3.0%, in respect of pensionable service accrued before 6 April 1997 (for those who have not opted to exchange pension increases for a one off increase in their pension);
- 4.9%, in respect of pensionable service accrued from 6 April 1997 to 31 July 2009;
- 4.9%, in respect of pensionable service accrued from 1 August 2009 to 31 July 2011 and;
- 3.1%, in respect of pensionable service accrued from 1 August 2011.

Different increases apply in respect of those members who were previously members of the **University of Dundee (Former CNM Staff) Pension Scheme**. Former CNM members receive an increase every August based on the April Retail Prices Index (RPI) of that year or a maximum of 5%. This increase is based on their service accrued up to 31 July 2011 and is only paid on benefits in excess of GMP. An increase of 1.5% was applied in August 2021.

GMP accrued after 6 April 1988, and currently in payment, was increased by 1.7% on 1 April 2021.

Based on current inflation levels, the Trustee currently expect the 2023 increases to be paid at the respective maximum levels (e.g. 3% or 5% depending on the benefit type).

Beware: Pension Scams!

Pension scams are on the increase. Whilst tax rules mean that the earliest age from which you can draw your pension is currently 55, there have been cases where people have been approached out of the blue over the phone, via text message or in person about transferring their benefits to one of these scam arrangements. The scammers have a variety of tricks to catch you out and can end up leaving individuals with only a small part, or even none of, their pension benefits.



Pension scams.
Don't get stung.

The Pensions Regulator introduced the Pension Scams Pledge in 2021, which Spence & Partners have signed up to. This is a voluntary campaign and follows the principles of the Pension Scams Industry Group (PSIG) Code of Good Practice. Details of the Pledge can be found here:

<https://www.thepensionsregulator.gov.uk/en/pension-scams/pledge-to-combat-pension-scams>

If you would like to find out more about how to avoid pension fraud, you can contact The Pensions Advisory



Service (TPAS), an independent organisation with local advisors who are experts in pensions. TPAS can be contacted at 0300 123 1047. Alternatively, you can visit their website at www.pensionsadvisoryservice.org.uk.

New Transfer regulations

On the 30 November 2021 new transfer regulations came into force and Spence & Partners role as administrator, will be (as it always has been) to identify any potential risks. Under the new regulations, flags (or warning signs) have been identified for administrators to look out for. These have been classified as red and amber flags and there are a number of requirements for administrators and Trustees.

Common flags include overseas investments, unregulated investments and/or advice, circumstances where cashback is offered or a sharp, unusual rise in transfers involving the same scheme or adviser.

Should an administrator have any concerns regarding any of these flags, the member will be required to attend a guidance session with MoneyHelper before the transfer can proceed.

MoneyHelper will provide guidance to help identify common risks involved in transfers, and will highlight the dangers of pension scams. The member can then consider the information and decide whether they would like to proceed with their transfer. The member should, ideally, have already taken regulated advice and for certain transfers would be required to do so. MoneyHelper guidance is very different to regulated advice.

Should any red flags be present, such as where a member has failed to provide the required information or where the member requested a transfer after unsolicited contact, the right to a statutory transfer payment is lost and Trustees may refuse to make a transfer payment.

Carbon neutral

The Trustees have been considering ways of assessing, managing and reporting climate-related risks associated to the Scheme. Simple measures such as using electronic rather than paper communications will be discussed, along with a review of the environmental, social and governance (ESG) compliance of the Scheme's investments.

Help is at hand

For further information about your pension, questions you may have about this newsletter or to update your personal details, please contact Marion Imrie, Pensions Office, University of Dundee. Marion can be reached by email (pensionsoffice@dundee.ac.uk).

A list of funding and related documents as well as further information on the Scheme (including the Trustee's Privacy Notice) can be found in the Pensions Pack on the Scheme website which is given below:
www.dundee.ac.uk/payroll-pensions/pensions/uodss

GMP Equalisation

You may have seen in the press news of pension schemes needing to 'equalise' Guaranteed Minimum Pension (GMP) benefits to ensure they are equal for men and women. This only applies to benefits accrued between 17 May 1990 and 5 April 1997.

The process of equalising benefits is expected to be a time-consuming task and pension schemes are working on it together with their advisers to assess any potential implications. It is worth noting that any changes to members' benefits are likely to be minor.

Member Nominated Trustee Director

Further to the recent election for a Member Nominated Trustee Director for the Technical Constituency and your nomination, I am delighted to confirm that in accordance with the Trustee's arrangements under the Pensions Act 2004, Peter Hewitt has been selected to become a Member Nominated Director (Technical Constituency) of the University of Dundee Superannuation and Life Assurance Scheme with effect from 30th June 2022.



Increase to Normal Minimum Pension Age (NMPA) from 55 to 57

The Government has introduced final legislation (Finance Act 2022) increasing the NMPA to 57 on 6 April 2028 and it included protection for members of registered pension Schemes who before 4 November 2021 had a 'right to take their entitlement' to benefit under those Schemes at or before the existing NMPA. The legislation exempts members of the firefighters, police and armed forces public service schemes and for 'protected members' it reduces the restrictions on retaining a protected pension age following a block or individual transfer. For members to have a Protected Pension Age of less than 57 the Rules of the pension scheme on 11 February 2021 must give members an 'unqualified right' to take benefits at an age below 57.

Preparing for Pension Dashboards

The Pension Schemes Act 2021 introduced the legal framework for pension dashboards to be run by the Money and Pensions Service (MAPS) and commercial providers. The Act does not set out all the requirements needed for dashboard operation or to be a qualifying dashboard but provides for new regulations to be produced.

The Trustee will need to ensure the quality of the Scheme's data is good enough to be able to comply with the regulations.

The Draft regulations were published in January 2022 and were consulted on until March 2022. A further consultation ran over June and July to focus on the dashboard available point (i.e. when services will be made available to members of the public) and ensuring the Money and Pension Service (MaPS) and the Pensions Regulator (TPR) effectively disclose information. The government are expected to publish the response to this further consultation later in the year and Regulations will then be laid down by Parliament as soon as practical.



Further information

Nomination Form

If you die in service there is a lump sum benefit payable of four times your salary at date of death, plus a return of contributions, plus interest. This payment is normally free of inheritance tax and is payable under the discretionary powers of the Trustee.

Similarly, if you die within the first five years of retirement, a lump sum benefit is payable equal to the balance of your pension payable over that five year period and for deferred members, a refund of contributions is paid following your death.

It is therefore important to make your wishes known to the Trustee by completing a Nomination of Beneficiaries Form which will give guidance to the Trustee on how this lump sum should be paid on death in service. These forms, which can be obtained from the Pensions Office, University of Dundee (or via the link provided below) are held in confidence. **It is important to revise these forms should your circumstances change, for example on marriage or divorce.**

A separate nomination form is available to allow any member to nominate a potential dependant for the purposes of the dependant's pension. You are not required to complete these forms if you are married or in a civil partnership.

More information in relation to the benefits payable in the event of your death can be found in the 'Death Benefits' factsheet available on the website.

Disputes

There is a procedure for dealing with any dispute involving a member of the Scheme and the necessary forms are available from the Pensions Office, University of Dundee (pensionsoffice@dundee.ac.uk). The arbiter appointed to deal with the first stage of any dispute is Miss Marion Imrie.

Some useful sources of information

There is a great deal of general information on pensions available online and the following is a brief list of some of the most useful sites:

The Pensions Regulator (tPR)	www.thepensionsregulator.gov.uk/	The Pensions Regulator is the UK regulator of work-based pension schemes.
Department for Work and Pensions (DWP)	www.gov.uk/government/organisations/department-for-work-pensions	For information and free guides about pension provision, details of stakeholder arrangements and state benefits forecasts.
The Pensions Advisory Service (TPAS)	www.pensionsadvisoryservice.org.uk	For free and independent information about any aspect of pension provision.
Money Advice Service	www.moneyadviceservice.org.uk	For more information on where you can obtain independent help with your financial planning.
Independent Financial Advice	www.unbiased.co.uk	If you want to review your pension and savings, getting an independent financial adviser (IFA) can be helpful. The site contains a search facility to find an IFA in your areas, and guides to pensions, savings, investments and tax.

UoDSS is governed by a Trust Deed & Rules and if there are any differences between this Newsletter and the Trust Deed & Rules, the latter will prevail.