

BANGOR UNIVERSITY PENSION & ASSURANCE SCHEME BUPAS



YOUR 2024 SCHEME NEWS

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Welcome to your **2024 SCHEME NEWS**

Welcome to your annual newsletter, which provides you with the latest BUPAS developments as well as other current pensions topics which may be of interest to you.

This report has been prepared as part of the Trustees' ongoing commitment to keeping members fully informed regarding developments within the Scheme and its general finances. As always, we hope you find this year's newsletter to be helpful and informative, and we welcome your comments and suggestions for future issues, as well as your feedback on your experience of the Trustees and their advisers more generally.

Over the last 12 months there have been a few changes to the Trustee Board and full details are provided on page 14. We currently have a vacancy for a Member Nominated Trustee position. If you think you might be interested in applying for the role, please contact the Pensions Manager (contact details are provided at the end of this newsletter).

The University appointed Capital Cranfield Pensions Trustees Limited ('CCPTL') as an Independent Trustee to the Trustee Board in January 2021 and I have been the Trustee representing CCPTL since then. Following Michael Wilson's resignation from the Trustee Board in March 2023, the University asked that I step into the role of Chair, and, with the support of my fellow Trustees, I was happy to accept. I look forward to continuing to support the Scheme and the Trustee Board in my capacity of Chair of the Trustees moving forward.

This newsletter also includes an update on the financial development of the Scheme, including extracts from the Annual Report and Accounts for the year ended 31 July 2023. A formal actuarial valuation of the Scheme as at 31 July 2023 is currently underway and the results of this valuation will be communicated to members in a Summary Funding Statement in due course.

As we are sure you are aware, both the UK and global economy continue to be in a state of significant volatility. The Trustees would like to assure you that whilst the current economic backdrop appears challenging, the Trustees and University continue to monitor the impact on the Scheme very closely to ensure that the strategies and risk reducing measures that have been put in place remain appropriate. They are continually monitoring and taking advice on the Scheme's investments to ensure the Scheme and its members are protected during these difficult times.

Mark Condon
Chair of the BUPAS Trustees

Pensions news

Check your State Pension

From April 2016, the Government made some significant changes to the State Pension. The full single-tier State Pension is currently **£203.85 per week** (from April 2023), but how much you will receive depends on your National Insurance record. To get the full State Pension, you will need to have made 35 years of contributions. If you think you won't have made enough, you can pay in extra.

Your State Pension will not be paid to you automatically, you will need to claim it. It will also not be backdated if you claim it late.

To obtain a forecast of the amount you may receive, you can register with Government Gateway at www.gov.uk/check-state-pension where further information is provided.

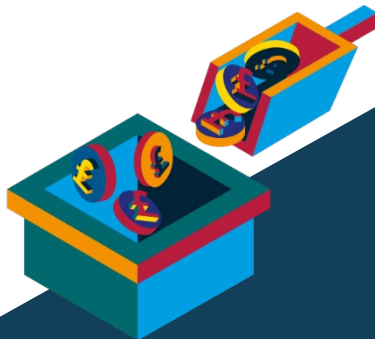
Change in State Pension Age

The age at which individuals become eligible to start claiming the State Pension is rising in stages to reflect the fact that people are living longer. The State Pension Age is currently 66 for both men and women, but there are increases to 67 and 68 planned in the future.

You can see when you are eligible to receive your State Pension at www.gov.uk/state-pension-age

Change in normal minimum pension age

Did you know that the normal minimum pension age will also be changing from 55 to 57 from 6 April 2028? This will mean that the earliest you can retire from the Scheme will be age 57, unless you have a protected retirement age.



Pensions news

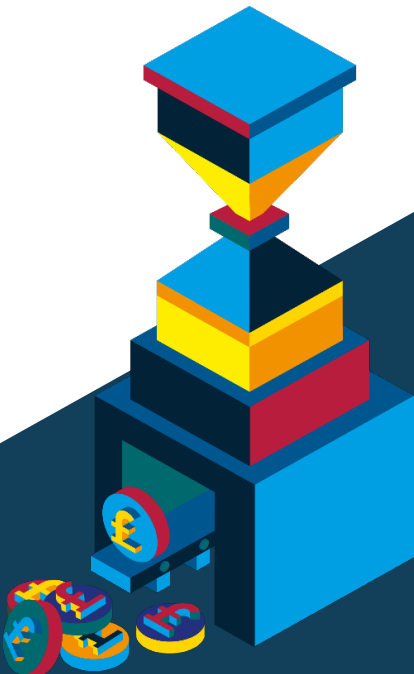
Pensions Dashboard Programme

The UK Government has been working on plans for pensions dashboards for some time. Many people will have different pension benefits and savings in multiple schemes, so the aim is for members to be able to see all their benefits and savings in one place.

While dashboards will be supplied by various providers, all pension arrangements need to connect to the dashboard 'ecosystem'. Schemes will connect with and supply pensions information to dashboards from a scheme-specific staging deadline depending on type and size of pension arrangement.

The Pensions Dashboard Programme is a significant and complex undertaking, and the Department for Work and Pensions (DWP) continues to work with the pensions industry to deliver the framework. In March 2023 the DWP announced that there will be delays to the original planned timetable and the deadline for pension schemes to connect to the dashboards will not be until 31 October 2026. Further information will be provided to members as and when BUPAS is impacted.

To find out more, go to www.pensionsdashboardsprogramme.org.uk



Pensions news

Updates from the 2023 Budget

As you may have heard, the 2023 Budget included several changes to government policy that affect pensions.

Changes to the Lifetime Allowance (LTA)

The LTA is the amount of pension savings you can make over your lifetime that can receive tax relief. Since 2020, the LTA was frozen at £1.073m but the Government now intends to abolish it, so there isn't any limit on the amount of pension savings you can make over your lifetime. Because this needs to be done through law, the LTA will still exist until 6 April 2024, but if you're taking your benefits before then and the capital value of your savings is over £1.073m, you won't be subject to an extra tax charge.

Changes to the Annual Allowance (AA)

The AA is the amount of savings you can make into a pension scheme each year that receive tax relief. The AA was set at £40,000 for most members but, with effect from 6 April 2023, it rose to £60,000 a year. There are some circumstances where a different limit may apply – if you are a very high earner or if you have accessed money from a pension fund flexibly, while continuing to contribute to another pension scheme, a different AA may apply.

A cap on the tax-free lump sum

Previously, you could take up to 25% of the value of your benefits as a tax-free lump sum. The Government has now limited the tax relief available to a cap of 25% of the LTA that existed prior to 6 April 2023, which is £268,275 (unless you previously had LTA protection, in which case you are not affected by the new cap).



Find out more

www.gov.uk/government/publications/abolition-of-lifetime-allowance-and-increases-to-pension-tax-limits

Pension Scams

Pension scams activity has remained high over the previous 12 months, particularly in relation to transfers out of defined benefit pension schemes. We remind you to be extra vigilant of the continued threat of pension scams.

We have put several steps in place to help to protect you against pension scams.

We have signed up the Pensions Regulator's pledge to combat pension scams and have refined our processes to be in line with the principles of the Pension Scam Industry Group code of good practice.

If you wish to take a transfer out of BUPAS you will be asked, in all but limited circumstances, to hold a call with the scam protection service team at XPS. This team will independently assess your case for signs of a scam before a transfer proceeds.

Transfer regulations introduced in November 2021 outlined the actions that pensions schemes must take in order to assess potential scam activity before a transfer value is paid. Under these regulations, we now have the power to prevent a transfer value from proceeding if we believe it to be a pension scam.

The processes we had in place to assess pensions scams already covered the majority of actions required by the new regulations and we have made the small changes needed to ensure our processes comply with these.

Specific guidance from the Financial Conduct Authority and the Pensions Regulator to help to protect you against a pensions scam can be found at:

www.fca.org.uk/scamsmart/how-avoid-pension-scams

www.fca.org.uk/consumers/pension-transfer-defined-benefit

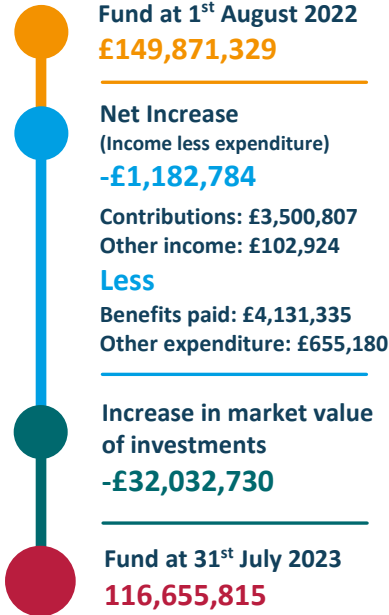
www.thepensionsregulator.gov.uk/en/pension-scams

We would urge you to be particularly vigilant if you receive an unsolicited approach to provide you with advice about transferring your benefits out of BUPAS to an alternative arrangement.



BUPAS at 31 July 2023

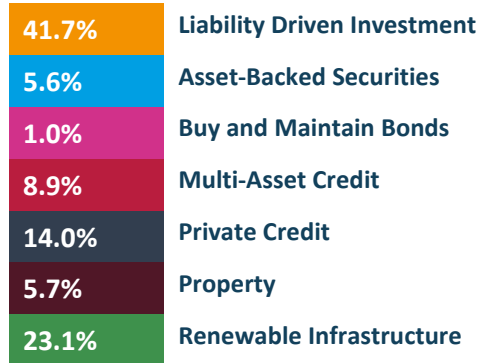
Fund Growth



These figures were taken from the Scheme accounts, which are available on request.

The Trustees completed a review of the Scheme's investment strategy, took advice and decided to make some changes to the Scheme's investments. Implementation of the changes was completed in 2023 and the new strategy is detailed in the Statement of Investment Principles which can be found at www.bangor.ac.uk/finance-services/staff/bupas

Investment allocation at 31st July 2023



Returns over year ending 31st July 2023

	Fund Return	Benchmark /Target Return
Allianz - Credit	3.4%	3.5%
Blackrock - Property	-17.3%	-17.4%
Abrdn - Private Credit	-1.0%	4.0%

The Octopus Renewable Infrastructure fund launched in 2023 so performance information is unavailable.

The Schroders portfolio (LDI, Buy & Maintain Credit, Asset-Backed Securities and Synthetic Equity) is designed to perform in line with a proportion of the Scheme's real liabilities.

BUPAS at 31 July 2023

Funding position

Once a year we receive an update of the funding position of BUPAS from our Scheme Actuary. The last such update we received was at 1 August 2022 which showed the funding level of the BUPAS to be 101%. The Scheme is currently undertaking a triennial actuarial valuation as at 31 July 2023. The results of this valuation are not yet available, however this information will be provided to you in a Summary Funding Statement later in the year. The latest available results at 1 August 2022 are shown below.

2022	
£149.4m	Assets
£148.2m	Liabilities
101%	Funding level

Membership

Total

Membership

as of 31st July 2023

1,798

2023	2022	
382	364	Contributing Members
797	782	Members who left service and who are not yet receiving a pension
619	616	Pensioners

Contributing members

364	Contributing members as of 31 July 2022
+ 59	New members joining during the year
- 40	Leavers
- 1	Retirements
382	Contributing members as of 31 July 2023



Planning for your retirement

Your Annual Benefit Statement or Retirement Quotation includes a forecast of your benefits at retirement and information to help you to understand the options you have available when you get there. It's important to start planning for retirement well before you are thinking of taking your benefits. This means that if you need to make any changes, you'll have plenty of time to do so.

Here is a handy guide to help you.

Up to 10 years before retirement

•••• Your living costs

Work out what you will need/want to live on in retirement. Make an allowance for extras, such as increased utility bills and perhaps more frequent holidays. Don't forget to exclude things like mortgage payments (if you will have paid your mortgage by your retirement) and travel to and from work.

•••• Do the maths

Add your pensions together to see if your income will cover your expected spending. Remember that your State Pension benefits might not be payable until after your retirement from BUPAS.

•••• Not enough?

Can you save more? Remember that you can pay Additional Voluntary Contributions.



Up to 5 years before retirement

..... Things to check

- Track down any pension arrangements from previous employments or personal policies.
- Get up to date quotations for all your pensions including a State Pension forecast.
- Can you increase your AVCs further?

Start thinking about the type of benefits you need: standard pension and 3 x tax-free cash or would you prefer the maximum tax-free cash and a lower pension?

6 months before retirement

..... Last checks

- Consider making an appointment with an Independent Financial Adviser (IFA), if you've not already done so earlier, to talk about getting the most out of all your pensions.
- Make sure you know when your first pension and your tax-free cash sum will be paid.

Retirement
Enjoy your retirement



Sources of further information

As well as the information available through BUPAS there are several other publicly available resources available to plan for your retirement.

Your mid-life financial MOT

The Government has a website to give people access to free, professional and independent guidance to help with pension planning, working options and staying healthy. This can be accessed at www.yourpension.gov.uk

Money Helper

Money Helper brings together the support and services of three government-backed financial guidance providers: the Money Advice Service, the Pensions Advisory Service and Pensions Wise.

Through Money Helper you can receive free, impartial help for all of your money and pension choices. Money Helper can be accessed at: www.moneyhelper.org.uk/en/pensions-and-retirement

Government website

The Government website provides information on topics such as the State Pension, pension law and planning for retirement. Visit www.gov.uk and click 'Working, jobs and pensions'.



Anything to tell us?

It is important that you tell us if any of your details change; we will only be able to pay your benefits if we hold the correct details for you.

Change of basic details

If any of your basic details change, please email pensions@bangor.ac.uk with the new information so that your record is updated on the administration system. The most common types of updates we receive are address changes when people move home or name changes following a change in marital status.

Expression of wish form

This form lets us know who you would like any cash sum benefit to be paid to in the event of your death. You should consider updating your form every time your personal circumstances change and every 3 years as a minimum. You can request a copy of this form from the Scheme Administrators or the Pensions Manager, using the details provided at the end of this newsletter.

Registration of Potential Dependant form

If you are not married or part of a registered civil partnership, you should also complete a registration of potential dependant form. This will let us know about anyone who is financially dependent upon you, who could potentially receive the equivalent of the husband/wife/civil partner's pension if you die. Please request a copy of this form by contacting the Pensions Manager, using the contact details provided at the end of this newsletter.



Trustees & Advisors

Trustee Board

Mark Condon (Chair)

Employer Nominated Trustee

Peter Hughes

Member Nominated Trustee

Marc Jones

Employer Nominated Trustee

Ros James

Member Nominated Trustee

Lauren Roberts

Employer Nominated Trustee

Nicola Kirby

Member Nominated Trustee

Dylan James

Employer Nominated Trustee

Two of our Trustees, Carl Shipton and Sian Peris Owen, left the Trustee Board during 2023. We'd like to thank them both for their significant contribution to the Trustee Board during their term of office.

We welcome Lauren Roberts and Dylan James to the Trustee Board as Employer Nominated Trustees. There is one Member Nominated Trustee position that remains vacant; if you are interested in applying to become a Trustee, please contact the Pensions Manager for further information.

Trustee Advisers

Pensions Manager & Secretary to the Trustees

Eluned Hughes, Bangor University

External Administrators

XPS Administration

Scheme Actuary

Sarah Keighley, XPS Pensions Group

Investment Advisers

Isio

Legal Advisers

DLA Piper

BANGOR UNIVERSITY PENSION & ASSURANCE SCHEME BUPAS



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XPS Administration

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E-mail: bangor.university@xpsgroup.com

Pensions Manager

Ms Eluned Hughes

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Bangor
LL57 2DG

Tel: 01248 383 261

E-mail: pensions@bangor.ac.uk

