

# Member Update



# Chairman's update

## Welcome to the 2023 Member Update for members of the Plumbing & Mechanical Services (UK) Industry Pensions Scheme (the Scheme).



I look forward to our annual Member Update; it's our chance to share Scheme news with the people who matter most.

I'd like to thank the whole team at Plumbing Pensions – the directors, staff and advisers – for their commitment to the Scheme and making sure we deliver a great service to members. This year we've been working hard to implement the Scheme governance changes we told you about last year.

You may notice that this Update does not contain the usual Summary Funding Statement. This is because the actuary is currently undertaking our triennial review and we hope to share the results with you in the next Member Update. In its place, we have a lot of useful information that I would encourage you to take a look at, such as details of our revamped Scheme website. We also provide an overview of what else has been happening in the world of pensions, as well as a warning about pension scams.

Some UK pension schemes were affected by a sudden unprecedented rise in UK government bond yields after the mini-budget last autumn. The Scheme is well protected and member benefits were not adversely affected by the extra volatility. You can read more about the Scheme's investments, along with information about last year's events and our first climate-related investment report, on pages 6-7.

I hope that this Update is useful and engaging. If you have any feedback or ideas for future topics you would like to see us cover, please get in touch using the information on the back cover. Alternatively, if you have thoughts about the Scheme more generally and would like to make sure your voice is heard, you can participate in our member survey – see page 9.

### **Jon Bridger**

Trustee Chairman

Plumbing Pensions (UK) Ltd

## Inside this issue

Membership	page 4
Summary of Scheme accounts	page 5
Investing the Scheme's assets	page 6
Scheme noticeboard	page 8
Pension news	page 10
Contact details	page 12

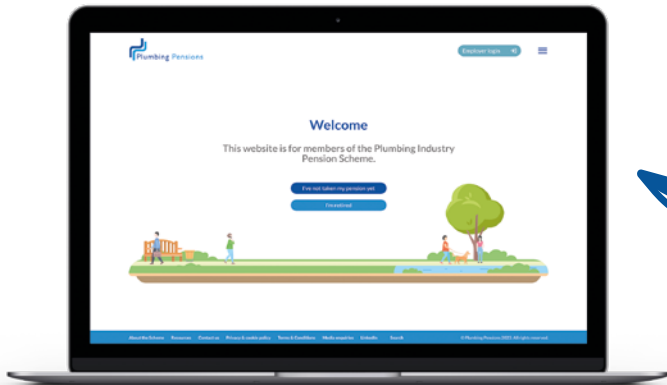
## Our revamped Scheme website is live

The Plumbing Pensions team has been busy updating the Scheme website to make it easier for you to find information about your pension.

There's a dedicated area for pensioners, with details of pension increases and payment dates, and another area for members who haven't yet retired that explains the benefit options before and at retirement.

We have also added some online forms to help you let us know if, say, you've moved house or have a new bank account.

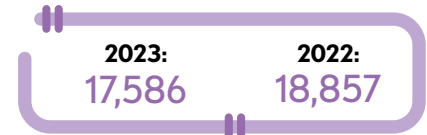
You can visit the site at **[www.plumbingpensions.co.uk](http://www.plumbingpensions.co.uk)**



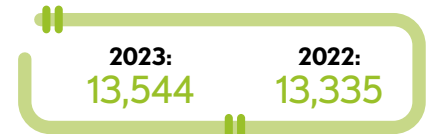
# Membership

As at 5 April 2023, there were 31,130 members in the Scheme. The Scheme provides benefits to 13,544 pensioners and beneficiaries. Members who have not yet retired are called deferred members.

## Deferred members



## Pensioners & beneficiaries



## Total



# Summary of Scheme accounts

Each year, the Trustee prepares a set of financial statements that set out the transactions over the year ending 5 April.

This table shows a summary of this year's statement to 5 April 2023. There is very little income because members and employers stopped paying contributions when the Scheme closed in 2019. Most of the Scheme's income comes from investments, which includes a bulk annuity policy that covers most of the pensioner payroll.

The Scheme's outgoings include benefit payments of pensions, lump sums, death benefits, transfers to other schemes and payments towards the Scheme's running costs.

If the actuary identifies a funding shortfall in a future actuarial valuation, the employers may need to pay money into the Scheme to remove the shortfall.

	£m
<b>Fund at 5 April 2022</b>	<b>2,160</b>
+ Total income for the year	6
- Total outgoings for the year	69
- Net investment losses during the year*	664
<b>Fund at 5 April 2023</b>	<b>1,433</b>

\*Please see our article on page 7 which explains why this figure is so high.



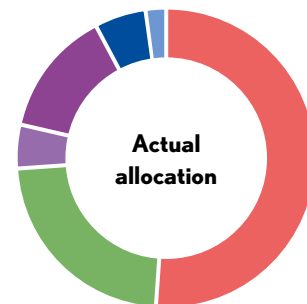
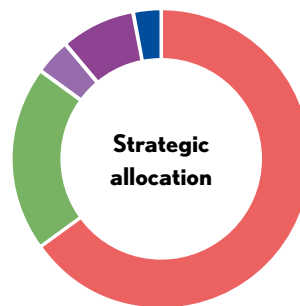
# Investing the Scheme's assets

One of the Trustee's most important duties is to invest the Scheme's assets. The Trustee takes advice from a professional investment consultant, who helps it set a suitable investment strategy and monitor the Scheme's investment performance.

These charts show how the Scheme's assets were split between different investment types as at 5 April 2023, excluding AVCs which are held separately.

Asset class	Strategic allocation	Actual allocation
● Liability driven investment (LDI)	65%	51.3%
● Bonds	20%	22.8%
● Public equities	4%	4.7%
● Property	8%	13.5%
● Illiquid assets	3%	5.5%
● Cash	0%	2.2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The LDI fund aims to invest in assets that move in the same way as the Scheme's liabilities when inflation and interest rates change.



## Investment performance and market volatility

Over the year to 31 March 2023, the Scheme's assets achieved a return of -34.1%. Although this may seem alarming, the fall in investment values was broadly matched by a fall in the Scheme's liabilities, leaving the overall Scheme funding position relatively stable.

The main reason for the large reduction in the Scheme's assets was a sudden unprecedented rise in UK government bond yields after the mini-budget last autumn. When bond yields rise, pension schemes need to hold less money today to pay pensions in the future, so this is actually good news for pension schemes.

**Let us reassure you that pensions will continue to be paid as normal. The Scheme was not at risk of running out of money at any time during the recent crisis and the Trustee continues to regularly monitor the Scheme's funding position.**

## Climate report

We are pleased to publish our first 'TCFD' climate report, which is available here:

[www.plumbingpensions.co.uk/investments](http://www.plumbingpensions.co.uk/investments)

The report sets out how we assess, monitor and manage the Scheme's exposure to climate risks and opportunities.



# Scheme noticeboard

## Your benefit options

If you haven't yet retired, there are a few different ways you can take your pension benefit when the time comes.

### Option 1 – Take a Trivial Commutation Lump Sum

If you're over the normal minimum pension age (55, increasing to 57 from April 2028) and have a small pension in the Scheme, you may be able to take the total value of your benefits as a one-off cash lump sum.

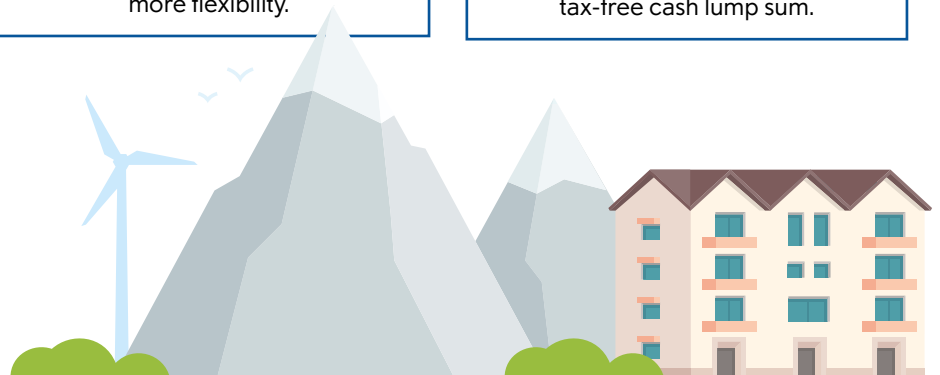
This option is available if the total value of your pension benefits from all the schemes you're a member of is less than £30,000.

### Option 2 – Transfer your benefits out of the Scheme

You can transfer the value of your Scheme benefits to an alternative registered pension arrangement, which could be useful if you would like to combine your pension savings in one place or if you want more flexibility.

### Option 3 – Start taking your benefits as a monthly pension

You can start taking your Scheme pension any time after you turn 55 (rising to 57 from April 2028) and receive a monthly payment for the rest of your life. If you wish, you may swap some of your pension for a tax-free cash lump sum.





## Next steps

If you're thinking about taking your benefits in the near future, you can request a retirement quote from the administration team at any time.

Although we are unable to give you advice about your pension, you can seek independent financial advice with a professional who can discuss your options with you. To find an adviser local to you, visit [www.vouchedfor.co.uk](http://www.vouchedfor.co.uk). For more general information and guidance about money and pensions, you can visit the government's free financial guidance service, MoneyHelper, at [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

## How are we doing?

We want to hear your views to ensure the Scheme is meeting your expectations. Please take a few minutes to complete our online member survey to let us know how you think we're doing. Simply scan the QR code with your phone to get started.



The closing date for the survey is 30 November 2023, so make sure you have your say before then.

## Remember to check your AVC investments

If you paid Additional Voluntary Contributions (AVCs), remember to review your investment choices on a regular basis. This is particularly important if your retirement plans change, as you will need to make sure that they are invested in a way that matches how you want to use your retirement savings.

For further information and advice, visit the Legal & General member website at [www.legalandgeneral.com](http://www.legalandgeneral.com)



# Pension news

## Retirement Living Standards

If you haven't yet retired, it's worth thinking about how much money you're likely to need and what you can do now to give yourself more money in retirement. You can find out how to do this at [www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)

The Retirement Living Standards website can help you plan for retirement by showing a breakdown of how much you might spend each year on food, travel, home DIY and more when you retire.

Recent research indicates that you might spend the following amounts every year, depending on your marital status and lifestyle choice:



Single



Couple

Living Standard

£12,800

Minimum

£19,900

£23,300

Moderate

£34,000

£37,300

Comfortable

£54,500

Remember that as well as your Scheme pension, most people will also qualify for the State Pension when they reach State Pension age.

## Do you need a midlife MOT?

You can check the status of your work, health and money with the government's newly launched and free to use digital midlife MOT. Simply scan the QR code with your phone to get started.








## Are you missing a pension pot?

If you think you may have lost a pension pot, you can use the Pension Tracing Service – a free government service on hand to help. You can phone the service directly on 0800 731 0193 or search 'pension tracing' on the **GOV.uk** website.

## Beware of pension scams

Pension scams are increasing, with scammers taking advantage of the rising cost of living.

Scam tactics include:

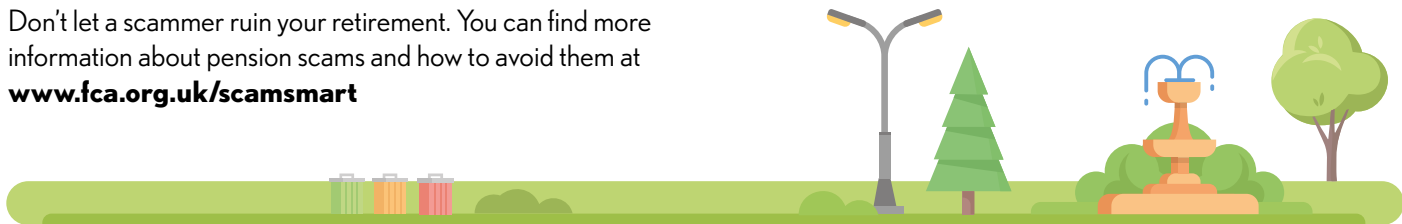
-  contact out of the blue
-  promises of high or guaranteed returns
-  offering free pension reviews
-  access to your pension before age 55
-  pressure to act quickly.

Don't let a scammer ruin your retirement. You can find more information about pension scams and how to avoid them at [www.fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)

## New administration system

We are updating our administration system. Between 6 and 24 November, our team won't have access to any personal pension records. Please be aware that there will be a delay in dealing with any requests received during this period. We apologise for any inconvenience this may cause.

**To avoid any delays, if you plan to retire in December we need your completed forms by 3 November.**




# Contact details

**Please contact us if you have any questions about your Scheme benefits or if you would like a copy of any Scheme documents.**

 03457 65 65 65

 [info@plumbingpensions.co.uk](mailto:info@plumbingpensions.co.uk)

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## Scheme documents

You can download key Scheme documents from the Scheme website, including the Report & Accounts, the Statements of Funding and Investment Principles, the Schedule of Contributions and the annual Scheme funding reports.

It's important that you tell us if your personal details change so we can stay in touch with you. We would also like to know your email address so we can communicate with you more easily.



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[www.wordshop.co.uk](http://www.wordshop.co.uk)