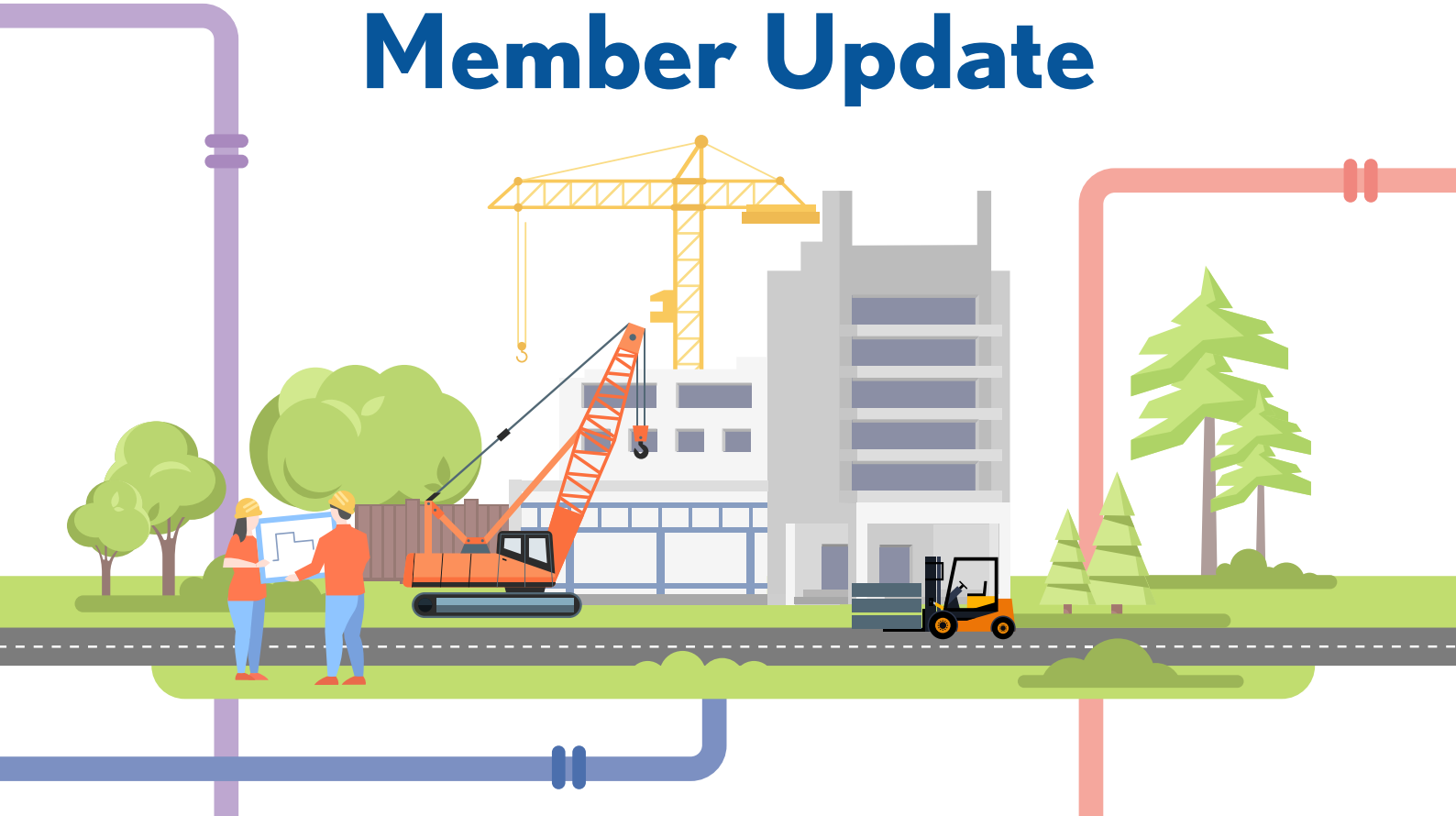


# Member Update





**I'm pleased to share with you the latest *Member Update*, the newsletter for members of the Plumbing & Mechanical Services (UK) Industry Pensions Scheme (the Scheme).**

It's been an eventful year for the Scheme, with a few changes to the Plumbing Pensions team. Firstly, Kate Urquhart retired in December 2023 after 48 years of service with us. This is a truly remarkable achievement, and Kate will have helped many members with their pension queries during her time with

# Chairman's update

the Scheme. All of us at Plumbing Pensions would like to wish Kate a long, happy and well-deserved retirement.

This year we also said goodbye to our Chief Executive, Kate Yates. We'd like to thank Kate for her commitment and dedication to the Scheme over the last eight years and wish her well in her future endeavours. The Trustee has since appointed Stephen Graham on 1 July 2024. Since joining the Scheme in 2017, Stephen has driven key operational and strategic changes within the Scheme. We look forward to working with Stephen and wish him every success in his new role.

Inside this Update you will find a summary of the Scheme's funding position, accounts and how the Scheme's assets are invested, along with further information and news that I hope you

will find helpful. We've also included some useful pointers on how best to plan for retirement on page 11 that I would encourage anyone who has not yet retired to take a look at.

Finally, the team are working hard on the new member portal. You can read more about what you will be able to do on the portal on page 3.

I hope that this Update is useful and relevant. If you have any feedback or ideas for topics you would like to see covered in a future issue, please get in touch using the details on the back page.

## **Jon Bridger**

Trustee Chairman  
Plumbing Pensions (UK) Ltd

## Launching soon: the Plumbing Pensions member portal

We are currently developing a member portal, which is designed to help you access and manage your pension wherever and whenever you need to.

Through the portal, you will be able to:

- ✓ view the amount of your benefits
- ✓ amend your personal details
- ✓ update your beneficiary details
- ✓ view your transfer value
- ✓ see your payslips and P60s (pensioners)
- ✓ update your bank details (pensioners).

Look out for the next *Member Update* for further details.

## Inside this issue

Financial health check	page 4
Membership	page 6
Summary of Scheme accounts	page 7
Investing the Scheme's assets	page 8
Scheme noticeboard	page 9
Pension news	page 10
Contact details	page 12

# Financial health check

Every three years, the Scheme actuary carries out a formal financial assessment called an actuarial valuation. The latest valuation was carried out as at 5 April 2023.

The valuation showed that the Scheme's assets covered 99% of the Scheme's liabilities, equating to a shortfall of £9 million.

The Trustee consulted the Employer Company and a Recovery Plan was agreed to eliminate the shortfall by 5 April 2026 through the assumed outperformance of the Scheme's assets relative to the prudent investment return in the valuation. Employers do not need to pay deficit recovery contributions as part of the Recovery Plan.

In the years between formal valuations, the actuary still reviews the Scheme's funding position, but these check-ups are less detailed. The check-up at 5 April 2024 showed the Scheme had a funding level of **99%** and a shortfall of **£3 million**.

Over the year, the Scheme's assets changed by a similar amount to the Scheme's liabilities due to the liability-driven investment strategy in place (see page 8 for more details), as such, the funding level remains unchanged.





## Other information

A pension scheme is a long-term arrangement. The actuary is required to look at the Scheme's financial position in the hypothetical situation that it had discontinued at 5 April 2023 and had to secure members' benefits with an insurance company. It does not imply that there is any intention to discontinue the Scheme.

On this 'solvency' basis at 5 April 2023, the assets were estimated to cover around 85% of the liabilities. This is lower than the ongoing funding level of 99% because insurers are obliged to take a very cautious view of the future and need to make a profit. By contrast, the ongoing basis assumes that the participating employers will continue to exist and support the Scheme, which can therefore adopt a less cautious investment strategy than an insurance company.

As required by law, we confirm that no changes, directions or schedule of contributions have been imposed on the Scheme by the Pensions Regulator, and that there have been no payments out of the Scheme's funds to any of the participating employers since the date of the last statement.

The Trustee will continue to monitor the Scheme's funding position.

**The next formal valuation is expected in April 2026.**

# Membership

As at 5 April 2024, there were 30,420 members in the Scheme.

## Deferred members

2024:	2023:
16,703	17,586

## Pensioners & beneficiaries

2024:	2023:
13,717	13,544

## Total

2024:	2023:
30,420	31,130



# Summary of Scheme accounts

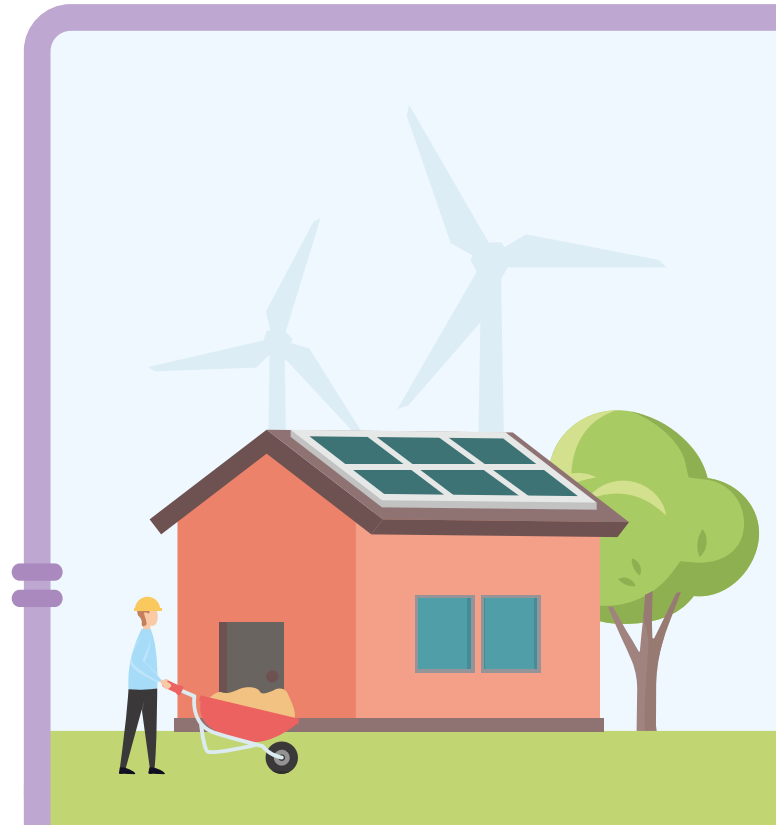
The information on this page is a summary of the Trustee's formal Report & Accounts for the year to 5 April.

You might notice that there is very little total income for the year. This is because members and employers stopped paying contributions when the Scheme closed in 2019. The majority of the Scheme's income now comes from investments, including 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.

	£m
<b>Fund at 5 April 2023</b>	<b>1,433</b>
+ Total income for the year	24
- Total outgoings for the year	66
- Investment losses during the year*	105
<b>Fund at 5 April 2024</b>	<b>1,286</b>

\*A large proportion of the Scheme's assets are invested to match the liabilities, therefore investment losses should largely be matched by a fall in the value of the Scheme's liabilities with the funding level remaining stable. There was £51m of investment income during the year which is included within the investment losses above.

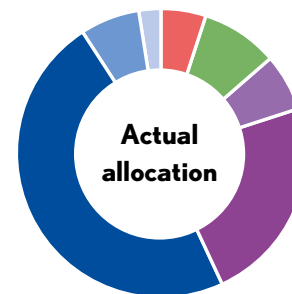
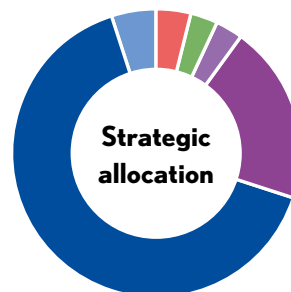


# Investing the Scheme's assets

These charts show how the Scheme's assets were split between different investment types as at 5 April 2024, excluding AVCs which are held separately.

Over the year, the Scheme's assets, excluding the bulk annuity policy, achieved a return of -7.6% against a benchmark of -9.7%.

Asset class	Strategic allocation	Actual allocation
● Public equities	4%	5.2%
● Property	3%	8.6%
● Illiquid assets	3%	6.3%
● Credit	20%	23.2%
● Liability Driven Investment (LDI)	65%	47.7%
● Inflation protecting illiquid assets	5%	6.5%
● Cash	-	2.5%
<b>Total</b>	<b>100%</b>	<b>100%</b>



## Climate report

We've recently published the Trustee's second climate report, and this is available to read on the Scheme website: [www.plumbingpensions.co.uk/investments](http://www.plumbingpensions.co.uk/investments)



# Scheme noticeboard

## GMP progress

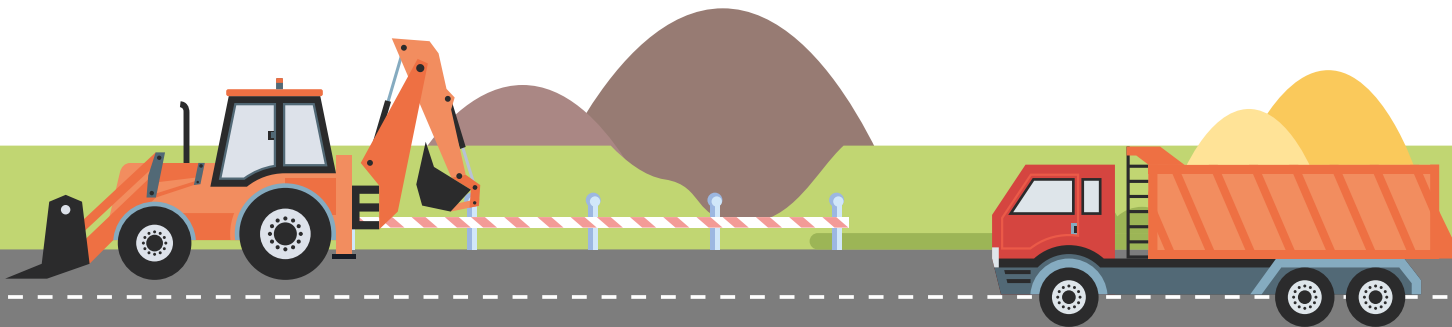
In previous editions of this Update, we have told you about a High Court ruling on Guaranteed Minimum Pensions, commonly called GMPs. These GMPs were accrued at different rates for men and women and were payable at different ages, reflecting the State Pension ages for men and women at the time. The High Court found that there should be no discrimination between male and female members in calculating their GMPs.

The Trustee continues to assess the impact of this Court ruling on the Scheme with the assistance of its advisers. This is a significant and complex exercise and will take a while to complete, but we hope to provide an update in a future *Member Update*.

## Review your AVC investments

If you have previously paid additional voluntary contributions (AVCs), it's important to regularly review your investment choices. This ensures that you are on track to achieve the lifestyle you want when the time comes to access your retirement savings.

You can review your investments at any time through the Legal & General member website at [www.legalandgeneral.com](http://www.legalandgeneral.com)



# Pension news

## Pensions dashboards update

Pension schemes will start connecting to the new pensions dashboard framework from April 2025, starting with the largest. Our provisional connection date is in the summer of 2025, and we'll continue to share progress with you on the Scheme website and in next year's *Member Update*. When it's launched, the dashboard will provide a single place where you can get information about all your pension savings across all schemes, as well as track down any lost pension pots.

In the meantime, if you think you may have lost a pension pot, the Pension Tracing Service is a free government service available 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

There are many different ways that criminals may try to steal your pension, and these types of scams could mean you lose some or even all of your pension. If you're approached by a potential scammer, it's important that you:



**Stay calm:** if you get calls offering early access to your pension, don't feel rushed or pressured to respond.



**Don't commit:** always seek advice before making decisions.



**Stop the call:** if you feel pressured or if the caller won't take no for an answer, end the conversation. Don't be embarrassed to put the phone down.



**Listen to your doubts:** if you think an offer sounds too good to be true, it probably is.

## Planning for retirement: our top tips

Retirement isn't just life without work – it's the freedom to enjoy doing more of the things you love. If you're approaching retirement, you must plan carefully to ensure your golden years are as golden as possible.

### *Check your Pension Certificate each year*

Each year before you retire, you will receive a Pension Certificate from the Scheme. This shows your total pension credits as at 5 April, including any bonuses awarded that year. Your Pension Certificate will give you an idea of how much pension you will receive at retirement.

### *Look at the Retirement Living Standards*

To help people create a better picture of what kind of lifestyle they could have in retirement, the Pensions and Lifetime Savings Association have published the Retirement Living Standards. The standards show three different levels of retirement lifestyle alongside some average expenditures required to achieve that lifestyle. You can take a look at the standards here: [www.retirementlivingstandards.org.uk](http://www.retirementlivingstandards.org.uk)

### *Visit MoneyHelper*

MoneyHelper provides information on savings, pensions and debt to help you understand how to manage your money. If you have AVCs or other defined contribution savings, you can book an appointment with Pension Wise, a free and impartial service offered by MoneyHelper that helps you understand the options available for your pension pot. More information is available at [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

You can also look for an independent financial adviser using their directory service: [www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser](http://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser)




# Contact details

**If you have any questions about your benefits in the Scheme, you can contact us using the details below.**

 03457 65 65 65

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

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

 Plumbing Pensions (UK) Ltd  
Bellevue House  
22 Hopetoun Street  
Edinburgh  
EH7 4GH

## Reports and Scheme documents

If you'd like to view any of the Scheme's key reports and documents, you can find them on our website, including the Report & Accounts, the Statements of Funding and Investment Principles, the Schedule of Contributions and the annual Scheme funding reports.

## Updating your details

If your personal details have changed, please let us know so that we can stay in touch with you. We would also like to know your email address so we can communicate with you more easily.