

Reflections

A YEAR OF CHANGE BUT THE ROAD AHEAD REMAINS STRAIGHT

THE TRUSTEE HAS a very clear focus. The primary objective continues to be to secure the guaranteed obligations of the Scheme to ensure current and future pension liabilities can be met in full.

Last year, 2019 was headlined to be a year of change; Brexit was never far from the headlines and the change in Prime Minister led to significant uncertainty. However, the intense focus on Brexit led to delays in legislative reform and as such, 2019 was largely a year of status quo for the pensions industry.



CHAIRMAN KEITH GREENFIELD

SCHEME CHANGES

The same cannot be said of the Scheme. Julie Halligan retired in June after 16 years as Scheme Secretary and Group Pension Manager. Julie has been an invaluable support to me and the rest of the Trustee Board and will be missed. I extend the thanks of the Trustee Board and wish Julie every happiness for her retirement. We are most grateful that she leaves both the Scheme and Group Pensions Department in a strong position for her successor Joanne Miller. While governance and regulatory requirements continue to increase, and the options available to active and deferred members increase choices for members, Joanne's aim is to maintain a "steady ship" and continue to provide the high level of support both to the Trustee and members as was provided by Julie.

We have also had changes on the Trustee Board. Elections were held in June for 4 member-nominated Trustee Directors, 3 pensioner and 1 active. Mr Brian Bonney, Mr Derek Corf and Mr Steven Beesley were appointed as pensioner-nominated Trustee Directors. Mr Mark Arnold was appointed as an active-nominated Trustee Director. We are very grateful to Mr Gordon Sayers and Mr Gary Luck whose terms of office ended in June as pensioner and active nominated Trustee Directors respectively. The role of a Trustee Director can be a challenging one; there is significant training required to develop and maintain a good level of knowledge and understanding to undertake the role. There is also significant reading required ahead of each meeting. Whilst member nominated Trustee Directors are elected by either pensioner members or active members, a Trustee Director's responsibility is to the Scheme as a whole. All Trustee Directors therefore, irrespective of the means of appointment, must act impartially and consider the interests of all classes of beneficiary.

I thank both the current and previous Trustee Directors for their diligence in undertaking their responsibilities on your behalf.

Another Julie (Myers) retired from our administration team this year after almost 44 years working for the Company, 40 of which were in the Pensions Department. We thank Julie for her service to the Scheme and send her our very best wishes for a well-deserved retirement. We extend those thanks to the whole Group Pensions Department who work hard to support the Scheme and all our members.

INVESTMENTS AND FUNDING

There were two significant changes in the investment portfolio during the year. As mentioned last year, the Henderson Corporate Bond mandate was transferred to a "Buy and Maintain" portfolio managed by AXA. The purpose of this is to match better the long-term cashflow requirements of the Scheme. As the Scheme continues to mature, the need for regular cashflows generated from the asset pool becomes ever more important to meet the routine payments from the Scheme.

We have been waiting over 3 years to fund a suitable investment within the Aviva Lime Property Fund. This wait reflects the diligence of our investment partners in selecting good quality investment opportunities. An investment was made in July which gives the Scheme access to inflation-linked income from secure long-leasehold properties.

While these changes reflect the Trustee's continuing efforts to optimise investments to meet the needs of the Scheme, the investment portfolio overall is broadly stable. The majority of the investments are designed to closely match the Scheme's liabilities, but the Scheme also retains a return-seeking element. This enables it to progress towards future funding targets

MEMBERSHIP

31 December 2017	31 December 2018
Active Members	
813	707
Deferred	
2825	2618
Pensioners / Spouses	
10009	9813
Total	
13647	13138

TRANSFERS

The Pension Regulator states on its website "that it is likely to be in the best financial interests of the majority of members to remain in their DB scheme. However, accessing their pension flexibly may be better suited to the financial interests of certain members in their particular circumstances".

Please note it is not possible to transfer out of the Scheme if you are an active member still accruing benefits. Nor is it possible to transfer out of the Scheme once you have started drawing your pension.

Paid up "deferred" members can elect to transfer their benefits as a cash equivalent transfer value (CETV) to another registered fund. Individuals are entitled to a Statement of Entitlement on request once in any 12-month period.

THE TRUSTEE BOARD

The Pilkington Superannuation Scheme is operated and managed on behalf of the membership by a Corporate Trustee – PILKINGTON BROTHERS SUPERANNUATION TRUSTEE LIMITED. This company is represented by its Board of Directors which comprises up to 12 Directors. There are currently 12 Directors with no vacancies.

As at 1 October 2019 the Directors of the Trustee were:-

- Mr. K. Greenfield (Chairman)
- Mr. M. Arnold Greengate (E/ee)
- Mr. S.J. Beesley* (E/ee P)
- Mr. B. Bonney* (E/ee P)
- Mr. D. Corf* (E/ee P)
- Mr. S.M. Gange*
- Mr. D.P. Gilchrist, Automotive, Lathom (E/ee)
- Mr. R.P. Hemingway*
- Mr. J. McKenna*
- Mr. K. McKenna Greengate (E/ee)
- Mrs R. Tranter – BESTrustees
- Mr. P.D. Wilkinson

Secretary: Mrs J. Miller
Pilkington Brothers Superannuation Trustee Limited,
Group Pensions Department,
NSG European Technical Centre,
Hall Lane, Lathom, Nr. Ormskirk, Lancashire L40 5UF
Tel. (01744) 692890 Fax. (01744) 737336

Note: ‘E/ee’ denotes the Director is directly elected for a fixed term by the PSS members (where the abbreviation is ‘E/ee P’ by the pensioners)

* denotes the Director is in receipt of a PSS pension.

ADVISERS

The Board of the Trustee has appointed the following advisers to support its work in administering and managing the PSS:-

Scheme Actuary:	Jane Curtis (FIA) of Aon Hewitt Limited
Investment Consultant:	Willis Towers Watson Limited
Auditor:	PricewaterhouseCoopers LLP
Lawyer:	Hogan Lovells International LLP
Banker:	National Westminster Bank plc
Financial Adviser:	Lincoln Pensions Limited
Investment Managers:	Alpha Real Capital LLP Aviva Investors Jersey Unit Trusts Management Limited AXA Investment Managers UK Limited CBRE Global Collective Investors UK Limited Insight Investment Management (Global) Limited Legal & General Assurance (Pensions Management) Limited Nephila Capital Limited Pension Insurance Corporation plc State Street Global Advisors Limited
Custodian:	JP Morgan Chase Bank
Medical Adviser:	Dr. D.B. Shackleton
Administration:	Group Pensions Department Pilkington Group Limited

The Statement will be guaranteed for 3 months from the date issued. Should you wish to proceed, you and your adviser must have completed all necessary paperwork within this three-month period. The transfer should be completed within 6 months of the guaranteed quote.

When you request a transfer value, you will receive a pack of information which includes advice on spotting and avoiding scams. Please make sure you read the documentation carefully. If you suspect a scam you should contact the Financial Conduct Authority. If you are concerned that you may have been scammed, or you have signed something about which you are now uncertain, call Action Fraud on 0300 123 2040.

A transfer can be stopped at any time until the money has been transferred. If you have doubts, contact us immediately. You should not feel pressured to make a decision, or to continue with a transfer. We include a cooling-off period after the final discharge forms have been signed, during which period you can still change your mind and notify us.

For all CETVs greater than £30,000, you must seek advice from an independent financial adviser registered with the Financial Conduct Authority (FCA) and specifically authorised to advise on transfers out of defined benefit plans. This is a legal requirement in order to be eligible for your statutory right to transfer. The cost of this advice falls to you.

In obtaining financial advice you should consider the following:

Cold calling is banned. Responding to an unsolicited approach could leave you open to scams. If you receive a cold call, contact the Information Commissioners Office (ICO) on 0303 123 1113.

In most circumstances, you are not able to receive your pension before age 55. Arrangements that facilitate accessing your pension before this age are likely to be scams and you could be subject to significant tax charges on top of other losses.

A financial adviser may be restricted. This means that they are only able to offer a limited range of products and/or providers. It is important that you understand whether your adviser is restricted and therefore whether you are receiving advice on all products and prices available.

Check the FCA Register to make sure the adviser or operator is legitimate. Consider engaging another independent financial adviser if you have any concerns or if you do not believe your adviser is providing the advice you need.

Overseas transfers may not be regulated despite having names that are similar to those used in the UK. Ensure you understand where your money is being transferred to. Additional tax charges may apply if transferring overseas.

Ensure you are aware of all charges, both introductory and ongoing, as well as hidden and layered charges.

Understand the level of investment risk you are undertaking, and the potential consequences. Remember, the value of investments can go down as well as up.

RISKS

In a defined benefit scheme, the risks associated with increased life expectancy and/or investment performance are borne by the Company as ultimately it must make up any shortfall in funding.

If you elect to transfer your future benefits to a defined contribution or money purchase scheme those risks will become yours. In other words, you bear the risk that the value of your fund reduces as a result of poor investment performance and/or charges, or that you outlive the value of the fund.

Further information is available on the FCA website www.fca.org.uk and via the sources of advice and guidance in the Where to Turn article. Do not hesitate to use these sources.



“Well, I suppose I am a cold caller Mrs Smith - it’s Roger from the Freezer Shop about your order.. large or small prawns?”



WHERE TO TURN

CONTACT US

If you have any questions about your pension, please contact us.

Group Pensions Department is located in Room 2.42 at Lathom. The full postal address, email address and contact telephone numbers are below;
Group Pensions Department
NSG European Technical Centre
Hall Lane
Lathom
Nr Ormskirk
Lancashire L40 5UF
Email: pensions.administration@nsg.com
Tel: 01744 692959, 692967, 692003
Fax: 01744 737336

Please remember that no-one in Group Pensions Department is authorised or allowed to give financial advice. Please do not ask them for their opinion, or what they would do in your circumstance. They are not allowed to respond to such questions.

Are you over 55?

Remember you can access your pension and need not have stopped working. Contact us.

Group Pensions Department cannot help with enquiries about healthcare, income tax or the state pension; For enquiries about healthcare, please contact **BUPA Helpline** on 0345 609 0111

For enquiries about Income Tax please contact **HMRC** on 0300 200 3300

For enquiries about your State Pension please contact the **Pension Service** on 0800 731 0469

Support in Retirement

The Pilkington Family Trust is an independent Trust established to support retired Pilkington employees in need of assistance in areas such as finance, health, mobility or loneliness. It is available to retirees with a minimum of 10 years-service who can demonstrate a need for assistance. For further information please refer to their website; www.pilkingtonfamilytrust.com, or phone; 01744 742 516, or email enquiries@pilkingtonfamilytrust.com

Don't forget the Scheme website: www.superpilk.com where you can find:

- Forms
- Rules
- Benefits

OTHER SOURCES OF ADVICE AND GUIDANCE

The **Money Advice Service** provides free and impartial money advice on a wide range of financial matters including, but not limited to, guidance on pensions and retirement. www.moneyadvice.org.uk or 0800 138 7777

The **Pensions Advisory Service** provides free and impartial guidance on workplace and personal pensions. www.pensionsadvisoryservice.org.uk or 0800 011 3797

Pension Wise is a service provided to anyone aged 50 or over with a workplace or personal pension to help you to understand your options. Free appointments are available over the phone or on a face-to-face basis. www.pensionwise.gov.uk or call 0800 138 3944

These three services are being brought together as the Money and Pensions Service. They are sponsored by the Department for Work and Pensions and funded by levies on the financial service industry and pension schemes.

Considering a Transfer?

Be aware of potential scams. Refer to information on the FCA scamsmart website www.fca.org.uk/scamsmart

The State Pension Age is Changing

State Pension Age is the earliest age you can claim your State Pension and depends on when you were born. The State Pension Ages have been undergoing radical changes since April 2010. The changes saw the State Pension Age for women rise from 60 to equal the men's age of 65 between the years 2010 and 2018.

The State Pension age (now the same for men and women) is currently increasing further and will reach 66 by October 2020.

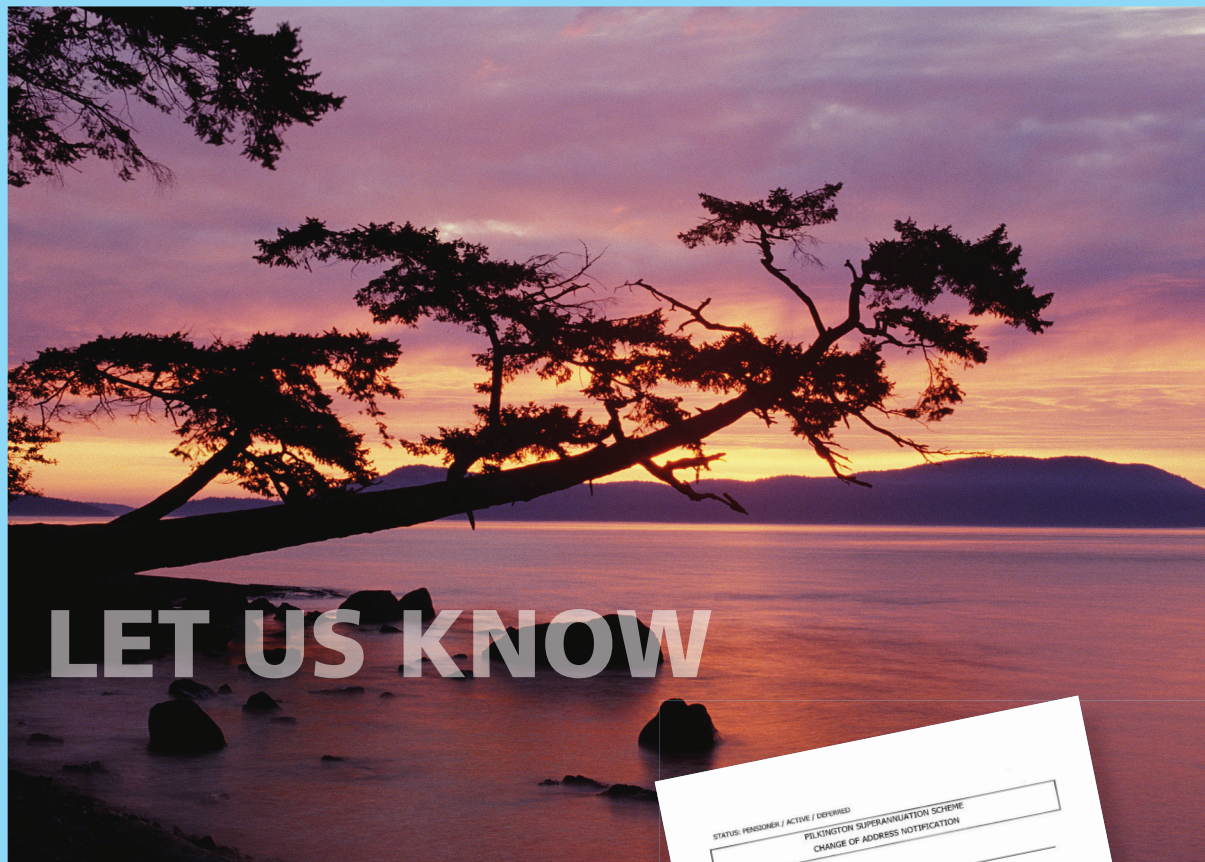
From 2028 the State Pension Age will be 67 and by 2046 it will be 68 for both men and women. There are

plans to change State Pension Ages further which may also bring forward the dates of increases.

You can check your current State Pension Age at www.gov.uk/state-pension-age

You can claim your PSS pension before you reach State Pension Age.

How much your State Pension will be will depend on how many years' National Insurance Contributions you have made. You can get a forecast of what your pension will be if you register at www.gov.uk/check-state-pension.



Moving House – make sure you notify the Group Pensions Department (by mail or email) if you move house so you do not miss important correspondence. We do carry out tracing exercises for those we have lost touch with, but to avoid delays please tell us of any changes to keep your details up to date.

Changing Bank Account – please tell us promptly if you change your bank account so we can update your record and avoid delays to you receiving your pension. There may be delays if the pension payroll has already been processed when we are notified of a change. We will do our best to avoid delays, but you can help by notifying us as early as possible.

Declaration Forms – please keep your declaration form up to date in relation to each of the lump sum and dependant's pension. The declaration form provides guidance to the Trustee on your wishes for where discretionary benefits are paid in the event of your death. It does not bind the Trustee and the Trustee may consider changes in circumstances since the declaration. Therefore please keep your declarations up to date so that your current wishes are known. The declaration form is available on www.superpilk.com within the section named Forms or we can send a form to you on request.

Marital Status – please let us know if there has been any change in your status by completing the 'change of marital status' form from the website.

Chairman's letter

Continued from front page...

without unduly increasing the exposure to risk. The Scheme remains over 90% hedged against interest and inflation rate volatility. The de-risking strategies implemented over the past few years have allowed the Scheme to withstand downturns in investment performance. Performance against asset benchmarks and the liabilities as a whole have been good over 1, 3 and 5 years. This continues to stand the Scheme in good stead through any potential political and financial uncertainties that lie ahead.

The Company remains steadfast in its commitment to support the Scheme by providing security until the Scheme meets its secondary funding target. The Trustee appreciates the ongoing support from the company, but is keen to reach the point where the Scheme is considered 'self-sufficient' and as such is no longer reliant on the Company for ongoing support.

Since the last Summary Funding Statement, the funding position has remained stable, and we remain on target to meet the secondary funding target over the next 3-5 years.

CONCLUDING REMARKS

I am very tempted to repeat my concluding remarks made in last year's Reflections. Perhaps all that we can be truly certain of is that uncertainty lies ahead in the economy. However, with our experienced and professional advisers continuing to assist us in keeping abreast of developments, and with a Scheme that is well hedged to minimise the impact of shocks, I remain confident that the Scheme will continue towards its funding targets, despite potential bumps in the road ahead.

On behalf of the Trustee and the Group Pensions Department I would like to wish you all a very Happy Christmas and a healthy New Year.

