

Electricity North West Group of the
Electricity Supply Pension Scheme

electricity
north west

Bringing energy to your door

Pension news

for the Defined Contribution section
September 2022



INSIDE

Welcome | Member Nominated Director Elections | Trustee Focus | Membership Data |
Investment Performance | Updated Lifestyle Calculator | AND MORE...

Welcome to this year's Defined Contribution (DC) Section newsletter



Malcolm Sugden
Chair

In this newsletter you'll find information about the upcoming member-nominated director election; more about Irina Krumova, one of our trustees; and investment choices, including environment, social and governance (ESG) issues.

Pension saving is for the long term. We all know that we should be saving for our retirement, but in reality, that can be difficult. As the cost-of-living crisis takes hold, making informed financial decisions is more important than ever.

Over the last 12 months, despite the market uncertainty caused by the war in Ukraine and the high levels of inflation, most equity markets delivered strong returns following on from the pandemic. Bond markets, however, have struggled, and members invested in these funds will have experienced negative returns. You can read more about this in the Fund Performance section of the newsletter.

We recently sent you your annual benefit statement, which tells you the value of your fund value at 31 March 2022, and your projected pension at your Target Retirement Date. You can log into your account at any time to check your current fund value at <https://enwl.myesps.co.uk/>

There will be periods of investment market volatility over your working life and investing during these uncertain times can be worrying. Now might be a good time to think about your income expectations for when you stop working and review your figures to check your progress.

The cost-of-living crisis and high inflation we are experiencing can affect pension pots, and potentially the product purchased at retirement, whether that's

moving to an income drawdown arrangement, buying an annuity, taking a cash lump sum or a combination of these options.

If you're planning to retire within the next 10 years, you might want to review your options with an independent financial adviser who will be able to review your retirement plans and recommend any changes.

I wanted to make you aware of Pension Wise, a government service from MoneyHelper, that offers free, impartial pensions guidance www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise. The Company have also appointed Hargreaves Lansdown to help guide members through to retirement, with further tools and resources available on their website www.retirementsservice.co.uk/enw

Remember that pension saving is for the long term, and the majority of members won't need to take any action.

Don't forget, our website www.enwlpensions.co.uk contains lots of information including the Scheme's full Report and Accounts, news items, videos and tools to help you plan for life after work.

I hope you find the newsletter interesting and helpful. If you have any questions or feedback about this edition or have suggestions for articles to be included in future editions, please get in touch with the pensions team. You can find their details on the back page.

Focus on a Trustee director



Irina Krumova was appointed as a trustee director in November 2020. She has worked as a corporate finance manager at Electricity North West for the last seven years, having previously worked in various roles in finance and audit and qualified with the Association of Chartered Certified Accountants (ACCA) in 2007. Irina is a member of the defined contribution section of the pension scheme and currently serves on the audit and admin discretion sub-committees.

What made you want to become a Trustee?

I've always been interested in pensions and gained some useful knowledge and understanding of pensions in my various roles in finance and wanted to use my experience and learn more about them. Also, I'd like to inspire colleagues to feel more passionate and engaged in the process of saving for their retirement.

What's the greatest challenge facing trustees of pension schemes?

Trustees are faced with increased workloads as a result of a plethora of changes in recent years in the relevant legislation and also various new requirements in terms of reporting and engagement with members and balancing this with the day job could be a challenge. As a new trustee I found the support of the other trustees and our professional advisors invaluable.

What do you find most rewarding about the role?

I've always wanted to do something to help others. Feeling that I am contributing to the running of the pension scheme and supporting our members is the most rewarding part of the role for me.

What's one piece of guidance you would give someone about their pension?

Start saving for a pension. There are so many incentives that both the government and employers have put in place and saving for a pension is a great way to plan for the future.

What do you do in your spare time?

I have two young children and love spending time with them. Currently I don't have much spare time for hobbies but when I do, I like watercolour painting and going for walks in the countryside.

Member Nominated Trustee Directors Elections Update

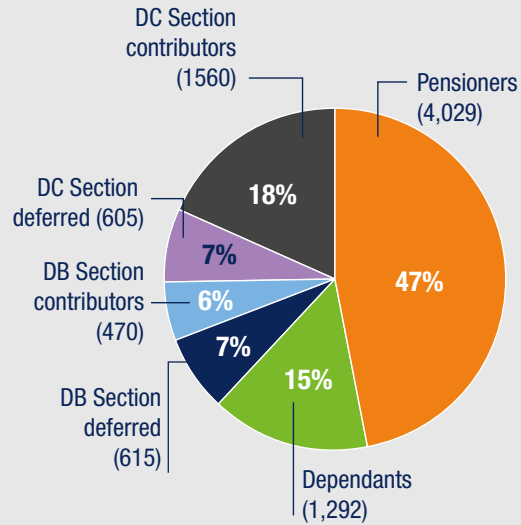
The Trustee Board consists of eight Trustee Directors - four appointed by the Company and four by the members. The Member Nominated positions last for four years and we run a ballot every two years for two of the positions. If you are eligible to nominate yourself for election under the Rules you will have received a communication from us.

The deadline for receiving nominations is 5pm on Friday 30 September. We will be communicating the next stage of the election shortly.

Scheme Accounts for the year to 31 March 2022

We've provided some of the main figures for the Defined Contribution section for the year below. You can find the full Trustee Report and Financial Statements on the pensions website: www.enwlpensions.co.uk

Membership data:



Membership numbers

Total members:
8,571
as at 31 March 2022

Defined Contribution Fund Account:

Assets at 1 April 2021	£75.9m
Income	£21.9m
Contributions	£11.6m
Transfers in	£0.3m
Other income	£0.1m
Change in the value of investments	£9.9m
Outgoings	£1.8m
Transfers out	£1.1m
Benefits	£0.2m
Investment management expenses	£0.1m
Administrative expenses	£0.4m
Assets at 31 March 2022	£99.6m

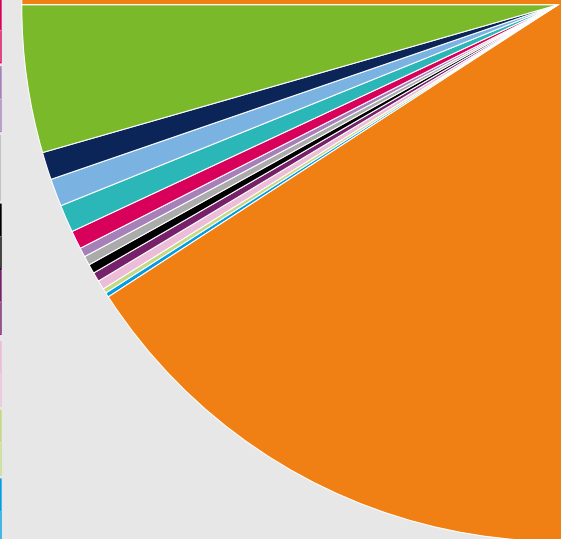
During 2021/22, 15 people transferred in their pensions from previous employers and providers.

If you are an active member and are interested in doing this, please email pensions@enwl.co.uk to check whether this is possible.

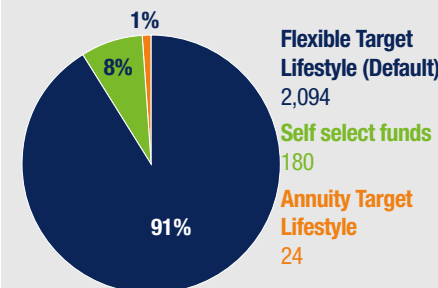
Where are the Scheme's assets invested?

Aegon BlackRock 30/70 Global Equity Index	£94,016,367	91.0%
Aegon BlackRock Market Advantage	£4,434,871	4.3%
Aegon BlackRock Cash	£1,055,723	1.0%
Aegon LGIM Ethical Global Equity Index	£918,880	0.9%
Aegon HSBC Islamic Global Equity	£796,318	0.8%
Aegon BlackRock All Stocks UK Gilt Index	£481,692	0.5%
Aegon BlackRock All Stocks UK Index Linked Gilt	£372,776	0.3%
Aegon BlackRock Emerging Markets Equity Index	£350,253	0.3%
Aegon BNY Mellon Global Equity	£309,014	0.3%
Aegon BlackRock Corporate Bond All Stocks Index	£183,896	0.2%
Aegon BlackRock Pre Retirement	£165,148	0.2%
Aegon BlackRock Property	£101,212	0.1%
Aegon BlackRock World Multifactor ESG Equity	£47,663	0.1%

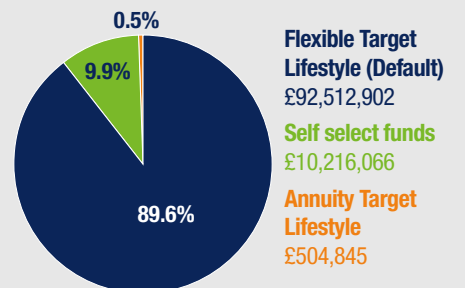
Total holding:
£103,233,813
Including DB AVCs of £3.8m



Number of people invested in the pension scheme



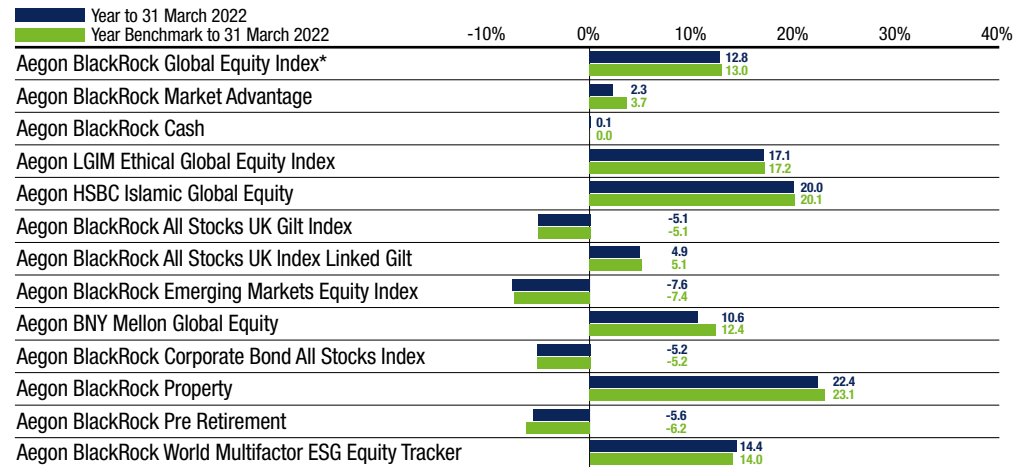
Scheme assets split by investment profile



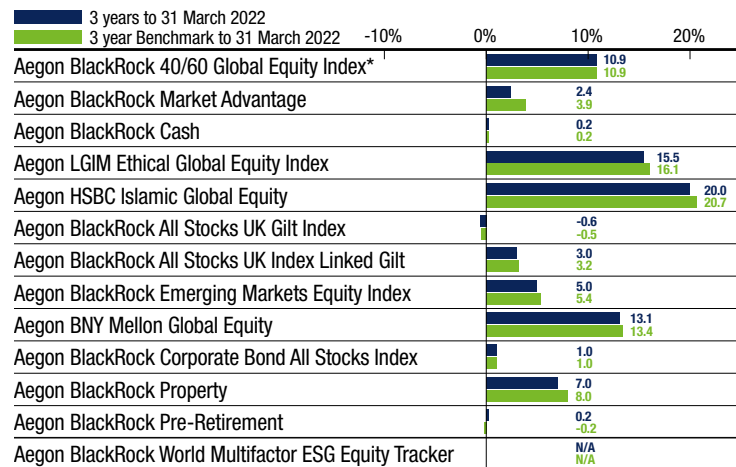
Fund Performance

The performance of the main funds, after fees, over the year to 31 March 2022 is shown below:

Return/Year to 31 March 2022



To give you an indication of how the funds have performed over a longer period, this is how the funds have performed over the three years ending 31 March 2021



* Assets were switched from the 40/60 Global Equity Index Fund to the 30/70 Global Equity Index Fund in December 2021. The performance figures reflect the amount of time invested in each fund.

Benchmark

Each of the funds have their own benchmark against which the fund performance can be measured. Generally, broad market and market-segment stock and bond indexes are used for this purpose. Eg. the benchmark for the Aegon BlackRock 30/70 Global Equity Index is split between 60% FTSE All World Developed ex UK / 30% FTSE All-Share TR Index / 10% MSCI Emerging Markets.

Market background summary from the scheme's investment advisors, Isio

For the last 9 months of 2021, most equity markets delivered strong returns due to the sustained economic recovery since the pandemic, supported by fiscal and monetary measures taken by governments and central banks. However, some of these gains were lost in Q1 2022 following Russia's invasion of Ukraine and concerns of the impact of spiking inflation.

Global credit markets, including corporate bonds, experienced a difficult 12 months. Worries about rising interest rates had a significant impact on the performance of UK investment-grade credit resulting in negative performance. Higher yielding, lower-quality credit asset classes (such as high yield bonds) fared slightly better due to their lower sensitivity to government bond yields.

Environmental, Social and Governance Investing

The trustees' environmental, social and governance (ESG) policy is available for you to read on the scheme documents section of our website. We actively use this policy to review our approach to investing.

The trustees published their first Implementation statement as part of last year's annual accounts, which tells you more about the scheme's ESG performance.

The Chair's annual governance statement



Governance is an important part of a pension trustee's role and there are minimum 'standards' of governance that have to be met for DC pension schemes. Each year, the trustees are required to include a statement (the Chair's Statement) in the scheme's annual report and accounts, describing how governance requirements have been met. The Chair's Statement can be viewed on the pensions website: www.enwlpensions.co.uk

Ethical Funds

Our Ethical Funds are

- Aegon LGIM Ethical Global Equity Index
- Aegon HSBC Islamic Global Equity
- Aegon BlackRock World Multifactor ESG Equity

Factsheets can be found at: www.enwlpensions.co.uk/dc-members/fund-choices

You can choose where your money is invested

You can choose to invest in any of the 13 available funds, or one of the two lifestyle strategies.

The default lifestyle strategy, flexible retirement, is designed to suit members who want to take a flexible approach to retirement.

The alternative lifestyle strategy, annuity target, is more suited to members who want to purchase an annuity at retirement.

Both lifestyle strategies gradually and automatically move your funds from the higher risk equity funds into lower risk funds as you approach your normal retirement age so that they are less exposed to sudden market drops.

The trustee regularly reviews the investment fund options available to our DC pension members to ensure they remain appropriate.

If you'd like to know more about our pension scheme fund options, or just pension investments in general, go to the fund choices page of the pension website. Here you'll find general information about investments as well as factsheets for each of our specific fund options. There's even a video to help members understand about investment risk.

Please make sure you review your own personal investment choices regularly to ensure they remain appropriate for you.

Also, when considering funds please note that past performance is no guarantee to future performance and that the value of your funds can go up or down.

How do I change my investment funds?

You can easily change your investment fund preferences online at <https://enwl.myesps.co.uk> (or follow the link on the pensions website).

Once you've logged in, go to the Change fund choices menu at the top select Change investments and follow the instructions on-screen.

Don't have a login? Click Register and fill in the steps. You will need your pension reference number that starts with 'ENW' (which you will find on your annual benefit statement) and your national insurance number.



Are you paying enough into your pension pot?

If you're an employee and currently paying less than a 7% pension contribution, you should consider increasing this as the company will also increase its contribution. The more you pay, the more the company pays. Taking advantage of the generous company contributions on offer can mean thousands of extra pounds going into your pension pot each year and that could make a huge difference to your retirement fund.

Have a look at the table below to see the total amounts that go into your pension pot for each of the employee normal contribution rate options.

Your contribution	Company contribution	Total invested
3%	6%	9%
4%	6.784%	10.784%
5%	8.784%	13.784%
6%	10.784%	16.784%
7%	12.784%	19.784%

Because you don't pay tax on pension contributions up to the annual allowance (currently £40,000), your contributions cost you less than you're putting in. And if you're in our Pension Saver salary sacrifice scheme you could also be paying lower National Insurance contributions, making your money go even further.

If you're already paying 7% you can make extra contributions as additional voluntary contributions (AVCs) to bump up your retirement pot. AVCs are not matched by the Company and Salary Sacrifice is not available for AVCs.

We have a contributions modeller on our pensions website to help you visualise how much the company will pay into your pension for your chosen contribution rate, how much tax and National Insurance you could save and the overall impact that increasing your pension contribution rate will have on your take home pay. Take a look as increasing your contributions might cost you less than you think.

The contributions modeller can be found here:

www.enwpensions.co.uk/dc-members/active-members/your-contributions/contributions-modeller

If you decide you want to increase your pension contributions, fill in a 'Contribution Change' form. If you're not already in the pension scheme but would like to join you can complete a 'Pension Saver Salary Sacrifice Agreement'. You can find these forms on the pension website.

Get in touch with the Pensions Team if you'd like any more information about the contribution structure and the benefits of increasing your pension contributions.

Updated lifestyle calculator

Can you picture your lifestyle in retirement?

For some people purchasing a sports car or a holiday home the day they retire might be realistic, but most of us just want to continue the lifestyle we've enjoyed while working.

Retirement might still be a long way off, but having a rough idea of how much income you might need will help you work out if you're currently saving enough for your future.

To help work out how much you might need, try using our updated lifestyle calculator on our website www.enwlpensions.co.uk/resources/lifestyle-calculator

The quick and easy calculator takes into account who you will be living with, where you will be living and what kind of lifestyle you hope for once you stop working.

It uses the Retirement Living Standards model created by the Pensions and Lifetime Savings Association, which sets out three levels of expenditure: minimum, moderate and comfortable. This gives you a sense of what different standards of living could cost you in life after work. The figures in the calculator are based on a 'basket' of common goods and services, which can be used as a starting point - if you think you would spend more, or less, you can change the amounts to create a personal target.

To find out more about the Retirement Living Standards, visit: www.retirementlivingstandards.org.uk

The full basic state pension for 2022/23 is **£9,627 per year.**

Would this be enough for you to live on?



Don't forget to watch your personalised pension video



We recently sent personalised pension videos to all our active members via their work email address. Your annual paper benefit statement also includes a QR code, which you can scan using your mobile phone to access your video directly. The video tells you how much money went into your pension pot in the year to 31 March 2022, how much income you may receive when you retire and how you can improve your retirement by saving even more. The videos will only be available for a short time so make sure you watch it while you have the chance.

Our pensions website

Visit our website, www.enwlpensions.co.uk, to access a range of information, fact sheets, videos and calculators to help you make informed decisions about your pension.

On our website you can find:

- Access to the Railpen online portal – where you can view your pension record, update your personal details and review your investments. There's also a modelling tool that you can use to explore 'what if' scenarios
- Contributions calculator - see how much the Company pays into your pension, how much tax and National Insurance you could save and the overall impact increasing your pension contribution rate would have on your take home pay
- Investment information
- Our updated lifestyle calculator – get an idea of the income you might need when you retire
- Videos to help you understand topics that might affect your pension
- Forms, factsheets and booklets
- Scheme documents
- News items to keep you up to date with what's going on in the pensions world



The Trustee's Data protection policy and Privacy notice set out how the trustee uses your personal information and your rights under the General Data Protection Regulations (GDPR). These can be found on our website: www.enwlpensions.co.uk/privacy-and-data

Who would you want to receive your death benefits?

Everyone's family circumstances are different and there is no such thing as a typical family. So it's important to submit an Expression of wish form to let us know who you would want any death benefits to be paid to, and make sure it's updated if your circumstances change.

What is payable if I die?

If you die before you retire, a lump sum equal to the value of your pension pot is payable. If you die while still working for the company, there's also a death in service benefit payable of four times your pensionable salary.

Why do I need to fill in a form?

As the scheme is written in trust, any death benefits are payable at the trustees' discretion. This means that the trustees, with the assistance of Railpen, will investigate your personal circumstances to establish who your beneficiaries are. Once they are satisfied that they have a full understanding of any dependants you may have, they will pay out any lump sums, tax-free*, in the proportion they see fit.

* benefits under the lifetime allowance, currently £1.073m, are payable tax free.

Also, as the benefits are written into trust, they don't form part of your estate and are not subject to inheritance tax. The trustees may ask to see a copy of your will when deciding who your benefits should be payable to, but they are not restricted by it.

To make sure the trustee is aware of who you would like the lump sum to be paid to, you need to keep your Expression of wish details up to date. You should consider updating them if your circumstances change. This should also speed up the process of paying a benefit.

The trustees are not legally obliged to follow instructions left on an Expression of wish form, but they usually do, particularly if your form is up to date. Forms can be downloaded from the pension website.

You can update your 'Expression of Wish' details at <http://enwl.myesps.co.uk>

Don't let a scammer enjoy your retirement



According to Action Fraud, more than £30m has been lost since 2017 to pension fraud, as unauthorised 'advisers' tout unrealistic investments. Don't be the next victim of this fraud.

Anyone can be the victim of a pension scam, no matter how savvy they think they are. It's important that everyone can spot the warning signs.






Scammers try to persuade pension savers to transfer their entire pension savings, or to release funds from it, by making attractive-sounding promises they have no intention of keeping.

Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.

Find out how pension scams work and what to do if you suspect a scam and follow four simple steps to protect yourself from pension scams.



Scam tactics include:

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

1. REJECT UNEXPECTED OFFERS



If you're contacted out of the blue about your pension, chances are it's high risk or a scam.

Be wary of free pension review offers. A free offer out of the blue from a company you have not dealt with before is probably a scam. Fortunately, research shows that 95% of unexpected pension offers are rejected.

2. CHECK WHO YOU'RE DEALING WITH



Check the Financial Services Register (www.fca.org.uk/firms/financial-services-register) to make sure that anyone offering you advice or other financial services is FCA-authorised.

If you don't use an FCA-authorised firm, you also won't have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme so you're unlikely to get your money back if things go wrong. If the firm is on the FCA Register, you should call the Consumer Helpline on **0800 111 6768** to check the firm is permitted to give pension advice.

Beware of fraudsters pretending to be from a firm authorised by the FCA, as it could be what we call a 'clone firm'. Use the contact details provided on the FCA Register, not the details they give you.

If you suspect a scam, report it

- Report to the Financial Conduct Authority (FCA) by contacting their Consumer Helpline on **0800 111 6768** or using the reporting form at www.fca.org.uk
- Report to Action Fraud on **0300 123 2040** or at www.actionfraud.police.uk
- If you're in the middle of a transfer, contact your provider immediately and then get in touch with MoneyHelper's pension helpline: **0800 011 3797**

3. DON'T BE RUSHED OR PRESSURED



Take your time to make all the checks you need – even if this means turning down an 'amazing deal'.

Be wary of promised returns that sound too good to be true and don't be rushed or pressured into making a decision.

4. GET IMPARTIAL INFORMATION AND ADVICE



For pensions specific guidance you can go direct to the pensions and retirement section at www.moneyhelper.org.uk/en/pensions-and-retirement or call **MoneyHelper's Pensions Helpline** on **0800 011 3797**.

Financial advisers It's important you make the best decision for your own personal circumstances, so you should seriously consider using the services of a financial adviser. If you do opt for an adviser, be sure to use one that is regulated by the FCA and never take investment advice from the company that contacted you or an adviser they suggest, as this may be part of the scam.

Be ScamSmart with your pension. Check who you are dealing with.

www.fca.org.uk/scamsmart



*FCA Financial Lives

Pension Wise

Free impartial pension guidance

What is Pension Wise?

Pension Wise is a free government service, provided through Money Helper, that offers free, impartial guidance. It outlines the options for people with defined contribution pensions.

You can get free guidance from Pension Wise if:

- you're aged 50 or over, and
- have a UK-based defined contribution pension – not a final salary or career average pension

Why have I been told I need an appointment?

If you are looking to transfer out your pension to flexibly access your benefits, we're obliged to refer you to Pension Wise to ensure you have received impartial guidance. Unfortunately, we cannot proceed with a transfer application unless you have received the guidance or have opted out of doing so.

The normal minimum pension age is increasing

The government has confirmed that the normal minimum pension age will increase from age 55 to 57 from 6 April 2028.

The normal minimum pension age is the earliest age at which most pension savers can access their private pensions without incurring an unauthorised payments tax charge (unless they take their pension due to ill-health or have a protected pension age). It was introduced in 2006 and increased from age 50 to age 55 in 2010.

Our DC engagement panel is made up of active DC members. The purpose of the panel is to get feedback about:

- The communication and engagement tools we use
- The investment choices you have
- The support we offer throughout your working life
- The options available at retirement

We're currently recruiting for panel members, so if you're interested in joining and would like to know more please contact: pensions@enwl.co.uk.

We look forward to hearing from you!

Have your say on our **DC engagement panel**

ESPS AGM 2022



This year's ESPS Annual General Meeting (AGM) will be held virtually on Tuesday 22 November 2022, starting at 1pm.

As a member, you can attend by registering using the following link: <https://attendeegotowebinar.com/register/3878064796830457099>

A "test" meeting will be held on 17 November at 11am. For those new to the virtual arrangements, please register by using the following link: <https://attendeegotowebinar.com/register/8826980927499295245>

These links, along with other Scheme AGM information, including the Privacy Notice, will also be shown on the new ESPS website soon (www.espspensions.co.uk). Members are encouraged to register as soon as possible on the above links.

The purpose of the Scheme AGM is to receive the Scheme Annual Report and Financial Statements and the Auditors Report, receive the Report of the Scheme Trustee, and conduct any general business, including the consideration of any resolutions proposed by members.

Members have up to 28 days before the date of the Scheme AGM to submit a written resolution to the scheme secretary with a copy to the company secretary.

This year members will have until Tuesday 25 October 2022 to submit any written resolutions. In order for members to exercise their vote on any resolution they must be present (virtually) at the meeting.

Written resolutions should be submitted by both email and post to:

Email: kevin.groves@capita.com and paul.wallis@capita.com

Address: Kevin Groves, Scheme Secretary, The Electricity Supply Pension Scheme, Capita Pension Solutions Ltd, Hartshead House, 2 Cutlers Gate, Sheffield S4 7TL

Details of the agenda, resolutions and notices, along with copies of the Scheme Annual Report and Accounts and the minutes of last year's Scheme AGM are available on the ESPS scheme's website:

www.espspensions.co.uk

The meeting relates to the whole of the ESPS, not just the Electricity North West Group and all members of the Scheme are welcome to attend.



This year's AGM will take place virtually



Keep in Touch

If you're a current employee and have questions about your pension, or would like to make any changes you can contact the pensions team.

- by telephone on **0843 311 4530**
- by email at **pensions@enwl.co.uk**
- by letter to **304 Bridgewater Place, Birchwood Park, Warrington, Cheshire, WA3 6XG**

If you're no longer an employee of Electricity North West, you contact our administrators Railpen directly to make changes:

- by telephone on **0345 600 2050**
- by email at **enwl@railpen.com**
- by letter to **Railpen, PO Box 331, Brinkburn Road, Darlington, DL1 9PR**

Please remember to quote your name, date of birth and National Insurance number to help us deal with your enquiry as quickly as possible.

Your Pensions Team

Trustees

Appointed by the Company

PAN Trustees UK LLP
(Independent-represented
by Mike Roberts);
Malcolm Sugden (Chair)
Gillian Williamson
Irina Krumova

Member Elected

Chris Dooley
Mike Kay
John Leigh
Ken Scott

Advisers

Pensions Team

Colin Ross
Luke Warwick
Leah Taylor
Lisa Dutton

Administrator

Railpen

Auditor

PricewaterhouseCoopers LLP

Investment

Isio Ltd

Scheme Custodian

The Bank of New York Mellon

Legal

Sacker & Partners LLP

AVC Provider

Aegon



Other useful contacts

The Pensions Regulator

The UK regulator of work-based pension schemes
www.thepensionsregulator.gov.uk

Pension Tracing Service

Trace a personal or company pension scheme
www.gov.uk/find-pension-contact-details

Department for Work and Pensions

Find out how to plan your pension and what you need to do as you near retirement age
www.gov.uk/plan-retirement-income

Independent Financial Advice

Find an independent financial adviser near you
www.unbiased.co.uk

Pensions Ombudsman

Investigates complaints about how pension schemes are run
www.pensions-ombudsman.org.uk

Money Helper

Provides information and tools to help you manage your money
www.moneyhelper.org.uk

Hargreaves Lansdown

Provides further tools and resources to help guide members through to retirement
www.retirementservice.co.uk/enw

Financial Conduct Authority

www.fca.org.uk

