

Electricity North West Group of the
Electricity Supply Pension Scheme

electricity
north west

Bringing energy to your door

Pension news

Defined Contribution
Newsletter 2023



INSIDE

Welcome | Trustee focus | Membership data | Investment Performance |
Pension scams and more...

Welcome - Mike Roberts, Chair of our Board

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

I was appointed Chair from April this year as Malcolm Sugden retired after 8 years as Chair of the Trustee Board. We wanted to take the opportunity to thank Malcolm for his service and wish him well in his retirement. I have been an independent professional trustee for the scheme representing PAN trustees since October 2018 – you'll find out a bit more about me in the Trustee focus section of the newsletter, where I've done a short Q&A!

In this newsletter you'll find an overview of pension legislation changes, some investment news and where to find support and guidance on pension-related issues.

During 2022, the Company, with agreement from us, the Trustee Board, made the decision to propose changing its Defined Contribution pension provision from the existing own trust arrangement to a Defined Contribution master trust. Following a successful employee consultation, the Company are now proceeding with a move to a master trust, and have chosen the Lifesight master trust as its provider. This means this will be the last newsletter you will receive from us as the current Board of Trustees. If you're a current contributor to the DC Section, you will stop building up future benefits in the current pension scheme on 30th September 2023. From 1st October 2023, you will instead build up Defined Contribution pension benefits in the LifeSight master trust.

Please note that there will be a blackout period between 23rd September 2023 and early December 2023 - during that time you won't be able to access your Railpen account or make any changes as your account will be in the process of transitioning to LifeSight, who will be responsible for administering your pension account in the future.

You should have received a communication from us (the trustees) regarding the transition of your account to LifeSight. You will also be sent more information from LifeSight, confirming when the blackout period will end, how to access your account and your new login details.

If you have any queries please get in touch with the pensions team – their details are on the back page.

We recently sent you an annual benefit statement, which has a new look this year. The more simplified style details your fund value at 31 March 2023, and your projected pension at your Target Retirement Date.

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 check your retirement plans and recommend any changes.

We 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. In this newsletter we've also highlighted the importance of a midlife MOT – if you're over age 45, now might be a good time to think about your income expectations for when you stop working. The cost-of-living crisis and high inflation we are experiencing can affect pension pots, and potentially your income in retirement. We are living longer, working multiple jobs over our working lives, and all approach our finances differently. Upfront planning on how you want to spend your later life can make a huge difference on options, decisions and outcomes. You can access the service here <https://jobhelp.campaign.gov.uk/midlifemot/home-page/>.

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, please get in touch with the pensions team. You can find their details on the back page.

Mike Roberts
Chair



Mike Roberts
Independent
(Company Appointed) Trustee

The Company appointed PAN Trustees UK LLP as an independent professional trustee to the pension scheme in October 2018 and Mike Roberts is the PAN Trustees representative.

Mike has worked in the pensions industry for over 30 years and is a qualified pensions actuary. He started practising as a professional trustee 10 years ago and is an independent trustee to a number of pension schemes including others in the utilities sector. Prior to becoming a professional trustee Mike was the CEO of an international consulting and outsourcing business based in New York City. Mike is originally from Stockport and now lives back in the area.

Focus on a trustee director

Mike is currently **Chair of the Board** and **Chair of the Audit sub-committee**.

What do you think is the greatest challenge facing trustees of pension schemes?

Keeping on top of the ever changing pensions legislation and also the quite volatile economic environment we live in (which can affect the financial position of pension schemes).

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

Focus on your pension from an early age, this will give you more options when you are older.

What's your favourite memory of working in the pensions sector?

The generally very pleasant people that work in the sector, which makes coming to work a pleasure.

What would your dream job be?

I wanted to be a professional golfer but was never good enough!

What do you like to do in your spare time?

I play golf, travel and love listening to many types of live music.

Who would be your ideal dinner party guest list?

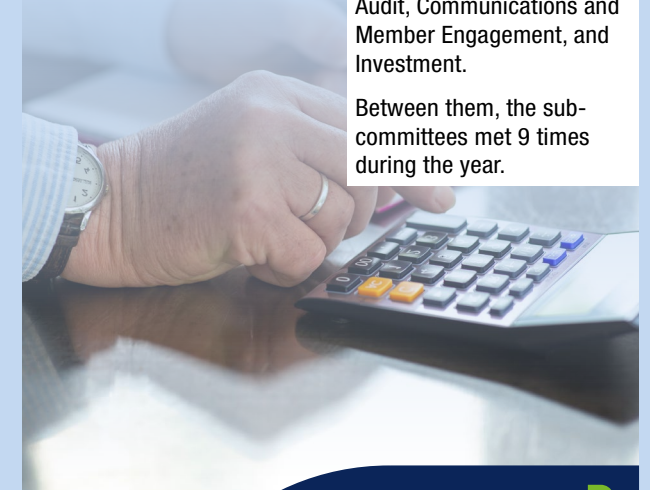
The other trustee directors of the ENW pension scheme of course!

Trustee meetings

During the year, the main Trustee Board met four times.

There are also four sub-committees which have responsibility for, and take decisions on, different areas of the Group: Administration Discretions, Audit, Communications and Member Engagement, and Investment.

Between them, the sub-committees met 9 times during the year.



The LifeSight master trust

During 2022, the Company, with agreement from us, the Trustee Board, made the decision to propose changing its Defined Contribution pension provision from the existing own trust arrangement to a Defined Contribution master trust.

Following a detailed market review and rigorous due diligence process, the LifeSight master trust was proposed. LifeSight provides a more modern and flexible arrangement, helping members to achieve a better outcome in retirement with:

- a wider choice of investments
- improved options for members at retirement, including income drawdown
- competitive member charges and reduced costs, and
- a better member experience including an app and user-friendly portal for members, along with improved communications, educational tools and excellent member support.

An employee consultation ran from 12th June to 10th August 2023. As there were no objections to the proposal, the Company decided to go ahead with the change, so if you're a current contributor to the Defined Contribution (DC) Section, you will stop

building up future benefits in the current pension scheme on 30th September 2023. From 1st October 2023, you will instead build up DC pension benefits in the master trust administered by LifeSight.

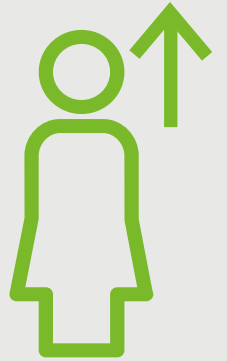
Accumulated assets are likely to transition to LifeSight by the end of 2023. We have written to all members with more details. There will be a blackout period between 23rd September 2023 and early December 2023 which means you won't be able to make any changes to your investments, put your benefits into payment or transfer your account to another pension arrangement during that time. Once the blackout period ends, you will have full access your account via LifeSight. LifeSight will be sending more information to you, which will confirm when the blackout period will end, how you can access your new account and your login details. If you have any queries please get in touch with the pensions team - their contact details are on the back page.



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.



Pension legislation updates

Various pension tax changes were announced in the Spring Budget, with the changes applying retrospectively from 6 April 2023. The biggest changes were in respect of the Annual Allowance and Lifetime Allowance. You can read more about pension tax limits at <https://www.enwlpensions.co.uk/resources/pension-tax-limits>

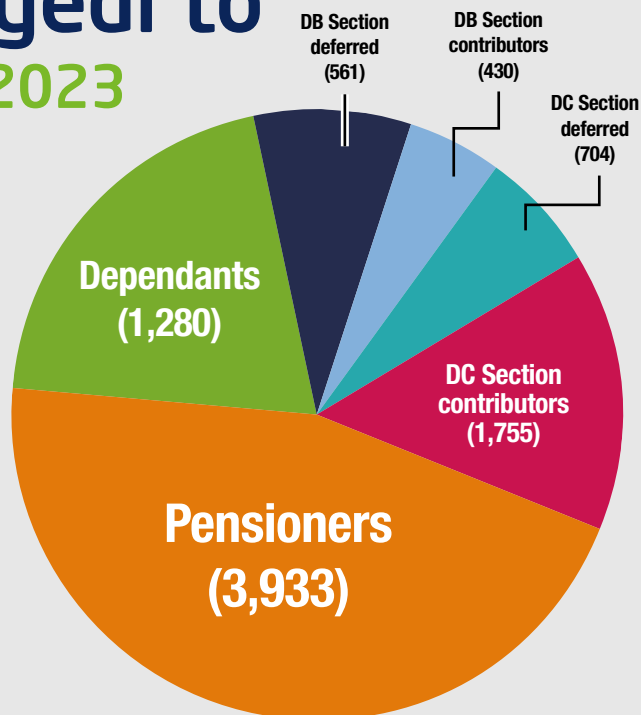


Scheme Accounts for the year to 31 March 2023

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.enwpensions.co.uk

Membership numbers as at 31 March 2023:

**Total members:
8,663**



Defined Contribution Fund Account:

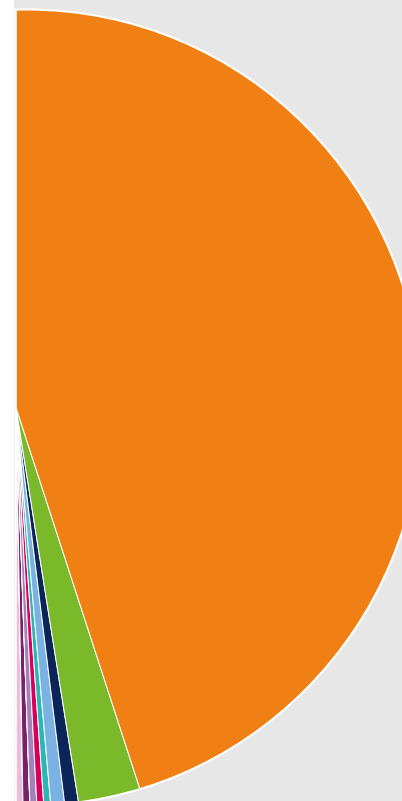
Assets at 1 April 2022	£99.6m
Income	£14.0m
DC Contributions	£14.1m
Transfers in	£0.4m
Other Income	£0m
Change in the value of investments	-£0.5m
Outgoings	£1.6m
Transfers out	£0.9m
Benefits	£0.2m
Investment Management Expenses	£0.1m
Administrative Expenses	£0.4m
Assets at 31 March 2023	£112.0m



During 2022/23, 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 the Scheme assets were invested at 31st March 2023



**Total Holding:
£115,845,133**

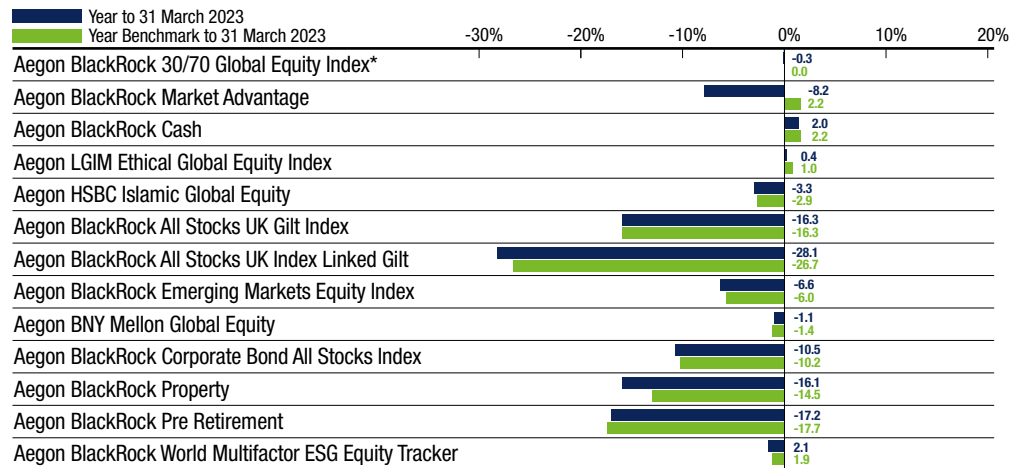
including DB AVCs of £3.9m

Fund	Holding (£)	Percentage
Aegon BlackRock 30/70 Global Equity Index	104,813,117	90.48%
Aegon BlackRock Market Advantage	5,445,850	4.70%
Aegon BlackRock Cash	1,266,378	1.09%
Aegon LGIM Ethical Global Equity Index	1,291,158	1.11%
Aegon HSBC Islamic Global Equity	971,744	0.84%
Aegon BlackRock All Stocks UK Gilt Index	478,626	0.41%
Aegon BlackRock All Stocks UK Index Linked Gilt	300,954	0.26%
Aegon BlackRock Emerging Markets Equity Index	367,912	0.32%
Aegon BNY Mellon Global Equity	346,253	0.30%
Aegon BlackRock Corporate Bond All Stocks Index	207,613	0.18%
Aegon BlackRock Pre Retirement	181,524	0.16%
Aegon BlackRock Property	105,334	0.09%
Aegon BlackRock World Multifactor ESG Equity	68,670	0.06%
Total	115,845,133	100%

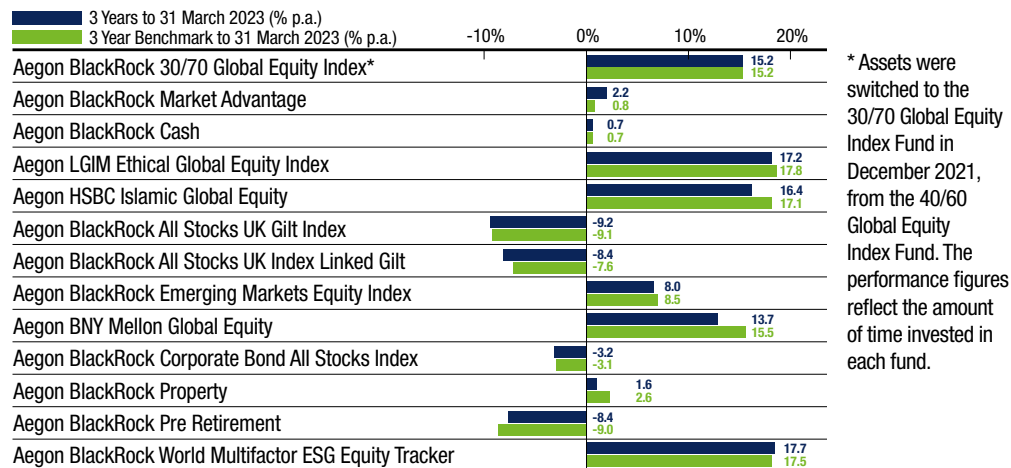
How have our funds performed?

The performance of the main funds, after fees, over the year to 31 March 2023 is shown below:

Return/Year to 31 March 2023



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 2023



* Assets were switched to the 30/70 Global Equity Index Fund in December 2021, from the 40/60 Global Equity Index Fund. 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. E.g. 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.

Fund change

Members with investments in the Aegon BlackRock All Stocks UK Index-Linked Gilt Index (BLK) fund were contacted in May 2023 regarding the closure of the fund. The assets invested in the fund were transferred to the Aegon BlackRock Index-Linked Gilt (BLK) fund on 5th June 2023.

Aegon chose this fund as they believe it's the most broadly similar fund in their fund range in terms of where it invests and what it aims to do. The fund invests mainly in UK index-linked government bonds and aims to produce a return in line with its benchmark.

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 at www.enwpensions.co.uk.

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 www.enwpensions.co.uk. We actively use this policy to review our approach to investing.

The trustees' Implementation statement also tells you more about the scheme's ESG performance.

Market Background Summary

from the Scheme's investment advisors, Isio

Despite dampened investor sentiment for much of 2022, global markets showed signs of recovery over the final quarter of 2022 and into the first quarter of 2023.

The strong performance across markets over the most recent two quarters reflected increased optimism following the reopening of China and signals that global inflation may have peaked.

UK equities proved most resilient over the period, largely due to the outperformance of economically sensitive sectors such as industrials and consumer discretionary.

Credit markets suffered due to rising interest rates as investor appetite for the asset class was challenged. An increase in inflation drove the US Federal Reserve and the Bank of England to raise base interest rates significantly over the last 12 months.

How do I change my investment funds?



You aren't able to make changes to your investments during the blackout period. The blackout period is taking place between 23rd September 2023 and early December 2023, when accumulated assets will transition across to LifeSight. We have written to all members with more details.

LifeSight will be sending more information to you, which will confirm how you can access your new account and make investment changes, along with your new login details.

If you have any queries regarding your investments please contact the pensions team. Their details are on the back page.

During the blackout period you aren't able to put your benefits into payment, transfer your account to another pension arrangement or make any changes to your investments. Once the blackout period ends, you will have full access to your account via LifeSight.

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 detailing who you would want any death benefits to be paid to, and ensure you update the form if your circumstances change.

As the Defined Contribution (DC) Section of the pension scheme is moving to the LifeSight master trust, there will be a requirement to complete new Expression of wish forms. The pensions team will be contacting all members shortly with details of how to do this.

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. Whilst this cover is not changing, the trust vehicle under which the benefit is payable in the event of death will change with the move to master trust. A separate Life Cover master trust is being established for this purpose.

Why do I need to fill in a form?

The current scheme is written in trust, and this will still be the case on moving to the LifeSight master trust - LifeSight have their own board of trustees. In addition, the

separate Life Cover master trust will also have their own board of trustees. Any death benefits are payable at the trustees' discretion. The trustees (both LifeSight and those of the master trust providing life cover) 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.

** if a member is under age 75 when they die, any lump sums under £1.073m (the historic Lifetime Allowance) 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.

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.

The pensions team will be contacting all members shortly with details of how to complete new Expression of wish forms.

Are you paying enough into your pension pot?

From 1st October 2023, following the move to the LifeSight master trust, the Company is increasing its pension contribution. The table below shows the total which will be paid into member pension pots, depending on the normal contribution rate chosen:

Your normal pension contribution	Company contribution from 1st October 2023	Total contribution
3%	6%	9%
4%	7%	11%
5%	9%	14%
6%	11%	17%
7%	13%	20%

The Company also pay 1% toward the costs of life assurance and group income protection.

If you're a current employee and pay less than 7% in normal pension contributions, you should consider increasing this and take advantage of the generous Company contributions!

You don't pay tax on pension contributions up to the annual allowance (£60,000 for 2023/24). If you're in our Pension Saver salary sacrifice scheme, you also pay lower National Insurance contributions, making your money go even further.

If you're already paying 7%, you can pay extra contributions, known as Additional Voluntary Contributions (AVCs). AVCs are not matched by the Company and they are not paid via Salary Sacrifice.

Increasing your contribution might cost you less than you think! Try using the contributions modeller on our pensions website <https://www.enwlpensions.co.uk/dc-members/active-members/your-contributions/contributions-modeller>

This shows how much the Company contributes on top of your chosen contribution rate, how much tax and National Insurance you could save and the overall impact increasing your contribution rate has on your take home pay.

If you decide you want to increase your pension contributions prior to 1st October 2023, please complete a 'Contribution Change' form. If you're not already paying via salary sacrifice, you can complete a 'Pension Saver Salary Sacrifice Agreement'. The forms are available on the pensions website <https://www.enwlpensions.co.uk/>.

Following the move to LifeSight, you will be able to amend your contribution rate yourself via your account. More details will follow shortly.



Get in touch with the pensions team if you'd like more information. Their details can be found on the back page.

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:

- The contributions calculator – see how much the Company pays into your pension pot, how much tax and National Insurance you could save and the overall impact increasing your pension contribution rate has on your take home pay
- Our lifestyle calculator, where you can 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

Please note that from 1st October 2023, if you're a current contributor your contributions will be paid to the LifeSight master trust.

There will be a blackout period between 23rd September 2023 and early December 2023. During the blackout period you won't be able to login to your online account with Railpen. We have written to all members with more details.

Once the blackout period ends, you will have full access to your account via LifeSight. LifeSight will be sending more information shortly, confirming when the blackout period will end, how to access your account and your new login details.

The Trustee's Data Protection Policy and Privacy Notice which sets out how the Trustee uses your personal information and your rights under the General Data Protection Regulations (GDPR), can be found on our website www.enwlpensions.co.uk/privacy-and-data

Midlife MOT

The full basic state pension for 2023/24 is £10,600 per year. Would this be enough for you to live on in retirement?

The DWP have launched a newly enhanced digital midlife MOT, bringing together services, tools and charity resources from the NHS, Money Helper, Mind, Citizens Advice and the DWP. The initiative acts as a check-up on finances, skills and health.

The free service allows planning for later life in retirement, and is designed for pension savers over age 45 and offers:

- A review of transferable skills
- Ideas on how to better manage health issues in order to stay in work
- A check that household budgets are on track to achieve financial goals
- Education on the basics of pensions and how to check your State Pension Age
- Guidance on how to find lost pensions
- Advice on how to boost your retirement income

Midlife MOTs should be seen as an essential part of the pensions journey, and planning should start sooner rather than later. We are living longer, working multiple jobs over our working lives, and all approach our finances differently. Upfront planning on how you want to spend your later life can make a huge difference on options, decisions and outcomes.

You can access the service here <https://jobhelp.campaign.gov.uk/midlifemot/home-page/>

Pension Wise

provide free impartial pension guidance to people aged 50 or over with defined contribution pensions. If you are looking to transfer out, we have to refer you to Pension Wise. We can't proceed with an application until we've had confirmation you've received impartial guidance, or you confirm to us that you wish to opt out of the guidance.

Don't let a scammer enjoy your retirement








Find out how pension scams work, how to avoid them and what to do if you suspect a scam.

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.



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 (<https://www.fca.org.uk/firms/financial-services-register>) to make sure that anyone offering you advice or other financial services is FCA-authorized.

If you don't use an FCA-authorized 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 The Pensions Advisory Service (TPAS) at www.moneyhelper.org.uk

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



MoneyHelper (www.moneyhelper.org.uk) Provides free independent and impartial information and guidance.

Pension Wise, is a service from MoneyHelper, backed by government (www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise) – If you're over 50 and have a defined contribution (DC) pension, Pension Wise offers pre-booked appointments to talk through your retirement options.

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

FCA FINANCIAL CONDUCT AUTHORITY

Keep in Touch

If you're a current employee and have questions about your pension you can contact the pensions team:

- by telephone on **0843 311 4530**
- by email at **pensions@enwl.co.uk**
- by letter to the Pensions Team 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:

- by telephone on **0345 600 2050**
- by email at **enwl@railpen.co.uk**
- by letter to 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 and represented
by Mike Roberts (Chair)
Irina Krumova

Member Elected

Chris Dooley
Mike Kay
John Leigh
Ken Scott

Advisers

Pensions Team

Colin Ross
Lisa Dutton
Leah Taylor

Administrator

Railpen

Auditor

PricewaterhouseCoopers LLP

Investment

Isio Group 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
<https://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

Financial Conduct Authority

www.fca.org.uk

