



A newsletter for the Canada Life  
UK Division Staff Pension Fund

# KNOW YOUR PENSION 2021

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# IN THE KNOW

Dear Member,

It has been another eventful year for the Scheme and for the Trustee. The Covid-19 pandemic has unfortunately continued for longer than any of us hoped it would, and I hope that you have coped in these difficult times and are keeping as safe as possible.

The Trustee Directors have remained focussed on managing the Scheme through the pandemic. I am pleased to say that the UK Division of Canada Life has remained in a strong financial position through the last two years and has continued to pay all the required contributions into the Pension Scheme on time. When combined with good investment performance from our investment managers, this has resulted in the funding level of the Scheme continuing to improve in line with the funding plan agreed after the 2019 valuation. We remain on track for the funding level to be back at 100% by the end of 2023. Further details are provided later in the Newsletter.

The other main event of the year for the Trustee Directors has been moving the administration and actuarial / investment support services from Aon to Hymans Robertson. We worked hard on this throughout the summer and autumn, with the administration transferred on the 1st November. Whilst for the majority of members this transfer went smoothly, unfortunately for a small number of pensioners this transfer did not go as smoothly as we would have liked. Some pensioners received incorrect payments in November, which have been corrected, and some have received incorrect tax codes from HMRC, which we are working with Hymans Robertson and HMRC to resolve. We would like to apologise to all pensioners affected by either of these issues.

The Scheme takes its social responsibilities and impact on the wider world seriously, and we are looking at ways that we can incorporate environmental, social and governance (ESG) considerations into our investment strategy. You will hear more from us on this in the future.

Finally, we have recently had a change in the Trustee Board. Con Bennett advised us in the summer of his intention to step down at the end of 2021, having been a Trustee Director of the Scheme for 18 years. We would like to thank Con for his many years of excellent service and welcome Rick Wisentaner to the Board. Rick has extensive experience with a variety of pension schemes and we look forward to working with him.

On behalf of the Trustee, I wish you all the best for the coming year.

Yours sincerely,  
**John Occleshaw**  
 Trustee Chair

# KNOW YOUR TRUSTEE DIRECTORS

## TRUSTEE

The assets of the Scheme are held in trust for the benefits of members and are managed by the Trustee of the Canada Life UK Division Staff Pension Fund.

### Employer nominated

John Occleshaw

Tracey Deeks

Rick Wisentaner

Lisa Rodriguez

(Lisa Rodriguez is leaving the Board as of March 2022 to be replaced by Narmie Riley as an Employer nominated director.)

### Member nominated

Richard Helyer

Nicki Pett



## ARE YOU ON THE MOVE?

Please remember to let the Scheme Administrator know if you move home, so that we can keep in touch with you and make sure your benefits are paid on time.

# KNOW THE LATEST NEWS

## HOW CAN I CHOOSE A FINANCIAL ADVISER?

If you're considering making changes to the way you're saving or investing, a financial adviser could be an invaluable resource when it comes to making good financial decisions.

An adviser will charge for their services. But it's worth remembering that they can often be worth that outlay to ensure you're making good, long-term decisions. They're regulated by the Financial Conduct Authority, so they must follow strict rules when they give you advice – make sure you check that they're registered before you start planning.

Getting a positive recommendation from someone you trust and whose opinion you value can make all the difference.

Once you've found a potential adviser, make sure you ask them questions. This is your money, and your future. Most financial advisers will agree to an initial meeting, free of charge – so make sure you get the most out of that first meeting.

Ask them questions about what you want to do and how they can help. If you don't know what you want to do, tell them what you've got and ask them to lay out some options in writing. The adviser's answers to these questions (and their willingness to provide examples of how they've helped someone similarly in the past) will give you a good idea of what they're like to work with.

Top tip: one place you can find a list of financial advisers is here: **[www.unbiased.co.uk](http://www.unbiased.co.uk)**. If you find someone you like, make sure you look them up separately – see if you can find testimonials or reviews of the individual/firm.

## PROTECT YOUR PENSION SAVING

The relentless activity of organised criminals continues apace, with scammers using the global pandemic as an opportunity to develop increasingly sophisticated ways of tricking even the most financially savvy investors out of their life savings. Please remember these simple steps below to go some way of protecting yourself from pension scams:

1. Be suspicious of all unexpected telephone calls, emails, and text messages, even if the person seems to have basic information about you. A genuine financial adviser will **never** cold call you.
2. Reject unexpected pensions opportunities, such as free pension reviews or investment opportunities for your pension savings.
3. Check the Financial Conduct Authority (FCA) register of authorised financial advisers. You can do this online at **<https://register.fca.org.uk>** or by ringing the FCA on 0800 111 6768.

If you have hearing or speech difficulties and use next generation text relay, the number to use is (18001) 0207 066 1000. The FCA also has a list of unauthorised advisers and people they have received complaints about. Go to **[www.fca.org.uk](http://www.fca.org.uk)** and type 'unauthorised advisers' in the search bar.

4. Never agree to download software or an app unless you are certain it is safe. Scammers use these to access your device.
5. Carefully cross check website addresses and look out for the padlock next to the URL which confirms your connection to the website has not been compromised.

For more detailed guidance there are a range of sources including **[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)** and **[www.actionfraud.police.uk](http://www.actionfraud.police.uk)**, or you can ring Action Fraud on 0300 123 2040.

# KNOW THE FINANCES

We receive regular payments from the Company which we invest and use to pay benefits. Here is a summary of the money we received and the payments we made, over the last scheme year.

## COMPANY CONTRIBUTIONS

Contributions are paid into the Scheme by the Company, as agreed at the actuarial valuation, in order to remove any shortfall in funding.

## PAYMENTS RECEIVED

Company contributions	£17.5m
Transfers In	£1.0m
Investment income	£1.7m
Change in market value of investment	£33.1m
Other Income	£1.3m

## ACCOUNTS FOR THE YEAR ENDING 31 DECEMBER 2020

**£308.8m**

Value at 1 January 2020

+

**£54.6m**

What came into the Scheme

—

**£12.6m**

What went out of the Scheme

=

**£350.8m**

Value at 31 December 2020

## PAYMENTS OUT OF THE SCHEME

Benefits paid or payable	£9.2m
Payments to and on account of leavers	£2.7m
Other payments	£0.5m
Investment management expenses	£0.2m

To see how we manage the Scheme's funds, see 'Know the investments' on page 10.

## DID YOU KNOW?

There may be benefits payable on your death. Please let the Trustee know who you would like to be considered for payment of these benefits, by completing an **expression of wish form**. Please contact the Scheme administrators, if you have not completed a nomination form already, or you would like to make a change.

You can also do this online at: <https://secure.canadalifepensions.co.uk/>

## SCHEME MEMBERSHIP

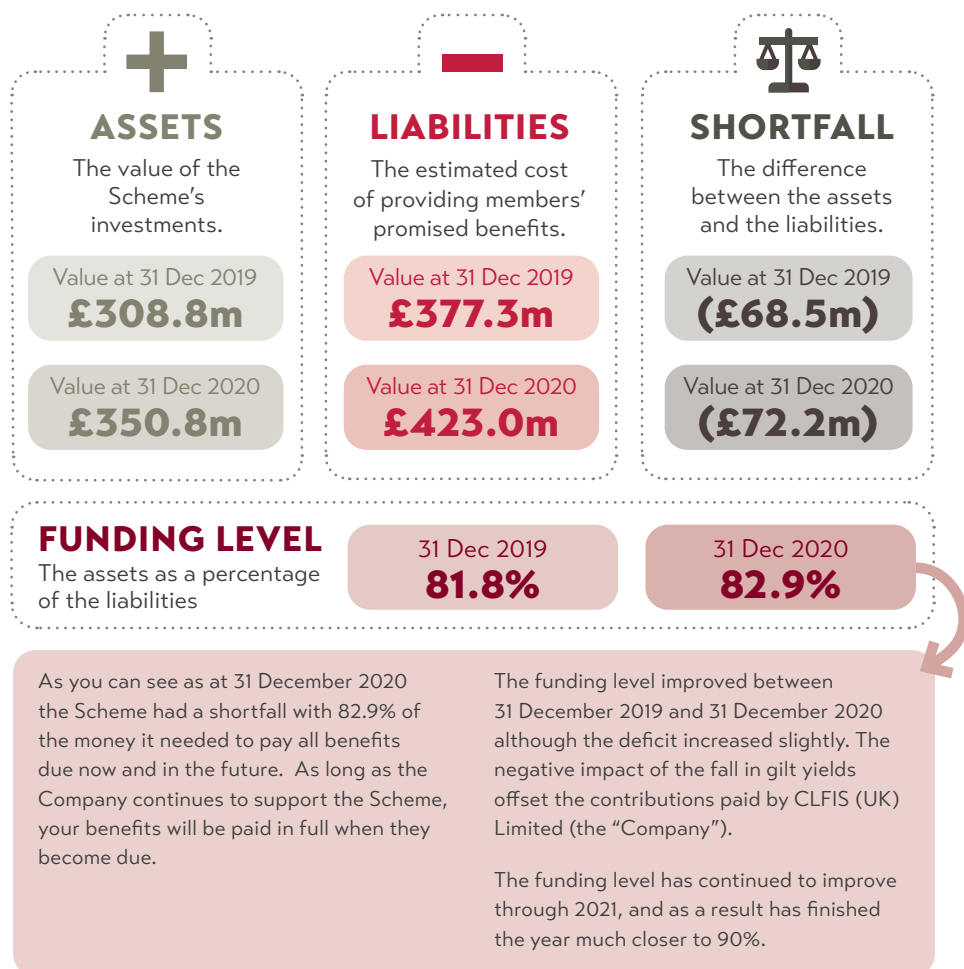
2020



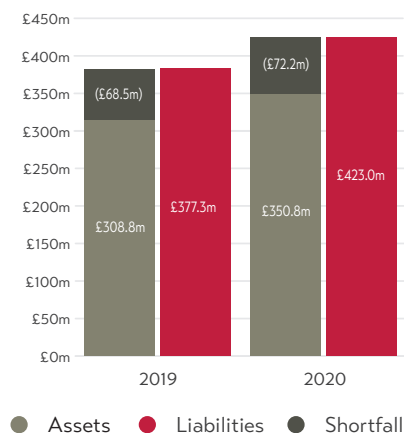
- Members who have not yet retired
- Pensioners and beneficiaries

# HOW IS THE SCHEME DOING?

The Trustee must make sure the Scheme has enough money to pay members' benefits both now and in the future, and so every three years a full valuation of the Scheme is undertaken, with annual checks in between. These calculations are carried out by an Actuary appointed by the Trustee. Here is a summary of the funding positioning at the last valuation and how this compares with the annual updates.



## The Scheme's financial position



## WHAT DOES THIS MEAN?

These valuations are only a snapshot in time, and as market conditions change, it's perfectly normal for the funding level to fluctuate over time. If the funding level is 100% or more, that means there was enough money to pay the benefits as and when they are due to be paid.

As at 31 December 2019, the Scheme had a funding level of 81.8% and so the Trustee has agreed a recovery plan with the Company which includes a commitment to pay additional contributions to remove the shortfall.

The Company has agreed to pay £17,290,000 per annum to reduce the Scheme's deficit, which as at 31 December 2019 was expected to eliminate the deficit by 31 December 2023.

## PROTECTING YOUR BENEFITS

As part of the valuation, the Actuary also works out how much money the Scheme would need if the Company could no longer support it, the Scheme were to be wound up and the Trustee secured members' benefits by buying an insurance policy.

Securing benefits in this way is expensive. The estimated cost to ensure that all members' benefits could be paid in full if the Scheme wound up on 31 December 2019 was £520.5m, resulting in a shortfall of £211.7m compared with the value of the assets on the same date. If there is not enough money in the Scheme to buy out all the benefits with an insurance policy, the Company would have to make up the shortfall.

For cases where a company goes out of business and doesn't have the money to pay the benefits promised, the Government has set up the Pension Protection Fund (PPF) which can pay compensation to members. You can find out more about the PPF on its website: [www.ppf.co.uk](http://www.ppf.co.uk).

Please note that the inclusion of this information does not imply that the Company or the Trustee are thinking of winding-up the Scheme. It is simply required to form part of our report.

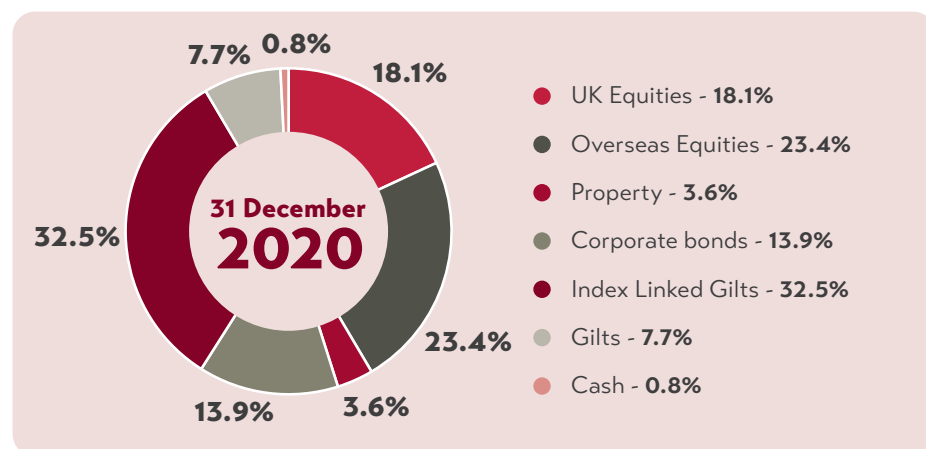
## THE LEGAL BIT

Legally, we have to confirm that the Company has not taken any surplus payments out of the Scheme in the last 12 months and that there has been no intervention from The Pensions Regulator to use its powers to modify the Scheme, or to impose a direction, or a schedule of contributions.

# KNOW THE INVESTMENTS

## OUR INVESTMENT STRATEGY

The Scheme's investment strategy is set by the Trustee after taking appropriate independent advice. The Scheme's assets were allocated to the following investment types:



The Trustee Directors and their investment advisor have considered Environmental, Social and Governance criteria when setting the investment strategy for the 2021/22 year and will continue to do so.

More information about our investment strategy is published in our Statement of Investment Principles. Copies of all the Scheme's documents are available upon request from the Scheme Administrator.

# WANT TO KNOW MORE?

## WHERE CAN I GET MORE INFORMATION?

These websites are a useful source of information about pensions and general financial matters.

- 🌐 [www.gov.uk](http://www.gov.uk) for Government information and public services, including workplace pensions and State benefits.
- 🌐 [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) is the new one stop service for Government-backed guidance, bringing the support offered by The Money Advice Service, Pension Wise and the Pensions Advisory Service under one roof.

MoneyHelper aims to make your money and pension choices clearer; to cut through the jargon and complexity, explain what you need to do and how you can do it. It is free to use and provides impartial guidance and can recommend further, trusted support if you need it.

You can also ring MoneyHelper free on **0800 011 3797**, Monday to Friday 9am to 5pm.

## KNOW THE JARGON

### Actuarial valuation

An investigation by an actuary into the ability of a defined benefit pension scheme to meet its liabilities. This determines the funding level and the recommended Company contribution rate.

### Bonds

A form of loan to a company or government – the borrower pays interest and pays back the loan when it matures (bonds issued by the UK government are called gilts).

### CPI

Consumer Prices Index which is a measure of UK price inflation.

### Equities

Shares in a company which are bought and sold on a stock exchange.

### Gilts

Bonds issued by the UK Government.

# WANT TO KNOW MORE?


## SCHEME INFORMATION

If you would like any more detailed information about the Scheme, you can find the Statement of Investment Principles by visiting <https://canadalifepensions.co.uk/>.

You can also ask the Scheme Administrator for a copy of various documents including:

- the trust deed and rules
- actuarial valuations
- the schedule of contributions

The Scheme Administrator is:


 Hymans Robertson,  
20 Waterloo Street,  
Glasgow,  
G2 6DB

 0141 566 7777

 [CanadaLifePensions@hymans.co.uk](mailto:CanadaLifePensions@hymans.co.uk)

## TRACKING DOWN LOST PENSIONS

It's worthwhile taking time out now to think about how much income you are on target to receive when you retire and whether it will be enough. Of course, your income in retirement may come from a number of sources including previous employers. If you would like to track down a lost pension scheme, the Pension Tracing Service may be able to help you free of charge.

 0800 731 0193

 Textphone: 0800 731 0176

 [www.gov.uk/find-lost-pension](http://www.gov.uk/find-lost-pension)

When you call, it is a good idea to have some information to hand – such as your National Insurance number, the name of the company you worked for, and the dates you worked there.

## YOUR DATA

If you would like to find out more about how we use your personal data please follow the link to the Hymans Robertson Trust Centre: [www.hymans.co.uk/information/trust-centre/](http://www.hymans.co.uk/information/trust-centre/)