

Pensions News | Arconic Pension Plan

July 2021

WELCOME TO YOUR PENSIONS NEWSLETTER

Welcome to the first edition of the newsletter for the Arconic Pension Plan (“the Plan”).

We hope the newsletter will keep you updated on developments affecting the Plan and your pension benefits. In this issue, we take a look at some recent changes affecting the Plan and consider some things which you should be aware of when planning for your retirement.

There is no doubt that the pandemic has posed great challenges for all of us. We hope you have managed to stay healthy and well during this difficult period.

We will write to you again later in the year to provide an update on the scheme finances. In the meantime, we hope that you find this newsletter useful. If you have any questions about the updates, please do get in touch with the Plan’s administrators. We also welcome any feedback that you may have on the format of the newsletter and whether there is any information that you’d like to see in future editions.

About us

You may recall that we wrote to you last year to welcome you to the Plan and to let you know that we, Ross Trustees Services Limited (“Ross Trustees”), were appointed sole corporate trustee of the Plan. Ross Trustees is one of the UK’s leading professional pensions trustee firms and you can find out more about who we are and what we do by visiting: www.rosstrustees.com.

We are appointed by Arconic Manufacturing (GB) Limited to act as trustee of the Plan, however, we’re independent of both the sponsoring employers of the Plan - and it’s our job to make sure the Plan is run in the best interests of its members (you!). We act in accordance with the rigorous standard for professional trustees carrying out sole trustee appointments, as set out by the Association of Professional Pension Trustees.

But we don’t act alone. We are supported by the Plan’s administrators, Isio, who you can contact regarding your benefits in the Plan, as well as a range of other advisers including:

- Legal advisers: to ensure the Plan is run in accordance with statutory legislation and regulations
- Investment managers and advisers: to ensure the Plan’s assets are invested in suitable types of investments and levels of risk and return are appropriate
- Actuarial adviser: To help the Trustee review the Plan’s assets and liabilities on a regular basis to ensure we are able to meet the payments promised to members both now and in the future

We hope you find this newsletter useful. If you have any questions about the updates in this newsletter, please do get in touch with the Plan’s administrators (contact details provided over the page). We will write to you again later in the year to provide an update on the Plan’s finances.

Ross Trustees

Trustees of the Arconic Pension Plan

Administration

Business as Usual

We have worked with the Plan's administrators during the pandemic to ensure that, as far as possible, the administration of the Plan has been 'business as usual'. Urgent queries, retirement requests and pensions in payment have been dealt with in as timely a manner as possible.

The Plan's administrators can be contacted by:

Email: APP@isio.com
Telephone: 0800 092 0456 (lines are open Monday to Friday, 9am – 5pm)
Write to: Arconic Pension Plan
Isio c/o SPS
PO Box 721
Salford
M5 0QT

The Plan's website also continues to offer you lots of information. If you haven't logged in before, we'd encourage you to take a look at www.arconic-pensions.co.uk

Reminders

Is the information we have about you still correct?

We'll be in touch regularly to keep you updated on your pension and about the choices you have, so it's really helpful if we've got the right details for you. If you're living at a new address, you've changed your email address or phone number recently, or your bank details are changing (and you are currently in receipt of a pension), please let us know. You can do this by contacting the Plan's administrators using the contact details shown above.

Do you know who you have named on your expression of wish form?

If the answer is 'no' or if you're not sure if you've ever completed an expression of wish form, now is the time to complete a new one. The expression of wish form tells us who you wish your death benefits to be paid to so it's important to keep it up to date, particularly when your circumstances change. You can request a form by contacting the Plan's administrators using the contact details shown above.

The Plan's finances

We regularly check how much money is in the Plan and how much might be needed in future to pay everyone's benefits. The Plan's Actuary reviews the financial position of the Plan formally every three years - this is the 'Actuarial Valuation'. The first valuation in respect of the Plan, as at 30 June 2020, is currently underway. Later in the year, we'll send you a separate Summary Funding Statement that will summarise the results of this valuation and provide a bit more detail around the Plan's funding position.

The Trustee's Report and Accounts for the year ended 5 April 2021 are currently being drafted and will be signed off no later than 5 November 2021. You can request a copy of these by contacting the Plan's administrators.

Guaranteed Minimum Pensions (GMP)

You may have read in the news or in previous communications that the High Court has ruled that trustees of Defined Benefit (or DB) pension schemes that provide Guaranteed Minimum Pensions (GMPs) should revisit how members' GMP benefits have been calculated. This affects the Plan as a DB scheme that provides GMPs.

What is GMP?

Until 2016, there were two elements to the State Pension – the Basic State Pension and the Additional State Pension. Between 6 April 1978 and 5 April 1997, it was possible for pension schemes to contract out of the Additional State Pension and, in return for providing a minimum level of benefits (i.e. a GMP), employers and members were allowed to pay lower rates of National Insurance.

What's changing?

UK pension schemes need to review members' benefits to make sure men and women don't receive different amounts of GMP just because of their sex. This involves:

- **GMP reconciliation:** Checking our GMP records against the GMP records held by HMRC
- **GMP rectification:** Updating your pension (if necessary) so that it's in line with HMRC's records
- **GMP equalisation:** Comparing your GMP to the GMP of a member in the same circumstances, but of the opposite sex. If your pension is less than it would have been if you were of the opposite sex, we'll apply an increase to your pension
- **GMP conversion:** In some cases, trustees may decide to turn the GMP pension into non-GMP pension

What happens now?

For many of our members already in receipt of a pension from the Plan, the process described above has already been completed by the Trustee of the Arconic Britain Pension Scheme prior to the transfer to the Plan, and you will have been contacted about any changes made to your pension amount.

The Trustee is now working with the Plan's administrator to complete the process for all other members to ensure the correct benefits are paid to members when they come to retire. In some cases, members will be entitled to a small increase in their pension benefits from the Plan – your benefits won't go down as a result of any of the changes to GMP. These processes can take some time to work through. You don't need to do anything. We'll be writing out separately with more details if the changes affect your benefits.



Pensions News

Beware of pension scams

It's a sad fact that, when there's a crisis, criminals will try to take advantage of people's increased concerns and anxieties. This has been true of the Covid-19 pandemic where pension savers have been particularly targeted by all kinds of fraud, cyber-attacks and scamming activity over the past year.

We've created a specific page on the Plan website (www.arconic-pensions.co.uk) to tell you what we are doing to combat pension scams, the warning signs to look out for and provide links to where you can find more information. We encourage you to take a look at guidance published by the Financial Conduct Authority ("FCA") on its website on how to spot and avoid pension scams: www.fca.org.uk/scamsmart/how-avoid-pension-scams

Here are some top tips to remember to help you not be caught out:

- Always double-check the website address is the same as the address shown in any official communications
- Reject unexpected offers - these often originate from unsolicited text or social media messages
- Check who you're dealing with - make sure they are FCA authorised
- Don't be rushed or pressured into deciding - even if it sounds like a great deal
- Get impartial advice with an FCA authorised adviser before making any changes to your pension

If you've been contacted by someone who could be a scammer, please tell us immediately. You can also report them to the police at www.actionfraud.police.uk

Finding the right advice

Neither we, nor our advisers, can give financial advice. You can find a list of financial advisers at <https://directory.moneyadvice.service.org.uk/en>. Financial advisers are regulated by FCA and must follow strict rules when they give you advice – make sure you check that they're registered before you start talking to anyone: www.fca.org.uk/register/.

Moving your valuable benefits out of the Plan is a significant financial decision, so if you're thinking of leaving the Plan or making changes to any of your pensions, we encourage you to get the right advice first. An adviser will charge for their services but it's worth remembering that they can often be worth that spend to ensure you're making good, long-term decisions and don't put your pension savings at risk from a scammer.

The minimum age for accessing your Plan benefits is changing

The Government has put forward plans to increase the age you can start to access your pension savings from any pension scheme including the Plan, from 55 to 57 in 2028. The change is not due to come into effect for some time, but if you're in your 40's now and were thinking you might want to access your pension savings at age 55, then you may need to adjust your planning.

When you take your pension before your 'normal retirement age', it is reduced to allow for you taking it earlier and so receiving it for longer. For most members in the Plan, your normal retirement age is age 65. This won't be affected by the Government's proposal.