

# Christie Pension and Life Assurance Scheme (the "Scheme")

## Trustees' Annual Report to Members November 2023

### 1. Introduction

The Trustees would like to present their Annual Report in order to provide an update on current pension issues and the Scheme.

The Trustees of the Scheme are pleased to announce that an agreement has been reached with the well-established UK financial services company, Just Retirement Limited ('Just'), to insure the pension benefits held in the Scheme. A transaction of this nature is known as a 'buy-in'. From 2<sup>nd</sup> August 2023 members' benefits are effectively underwritten by Just, providing long-term security. As a result, there is no impact on your Scheme benefits, and your entitlements under the Scheme will remain exactly the same. The policy with Just funds the benefit payments for you, other members and beneficiaries of the Scheme as and when they fall due.

If you are currently in receipt of a pension, there will be no impact on, or change to your pension payments, which will continue to be paid as they are now. If you are yet to draw benefits from the Scheme there is no impact or change to your accrued pension entitlement. All members can continue to request information about benefits from the Scheme in the usual way from Capita, our pension administrators.

In due course it is anticipated that the Trustees will decide to transfer the Just buy-in policy into individual policies for each of the members covered by the bulk annuity policy. Should the Trustees determine this is an appropriate course of action, the Scheme would be wound-up, and the Trustees discharged from their duties. If this happens, responsibility for the payment and administration of members' benefits would be transferred from the Scheme, to Just. If this happens you would no longer be a member of the Scheme, instead you would have an individual policy in your name, with Just. Your benefits would remain the same as they are now. We will keep you informed when decisions are made about these steps.

### 2. The Trustee Board

The Trustees have overall responsibility for the operation of the Scheme and for managing it both in accordance with the Trust Deed and Rules and current legislation.

The current Trustees are:

Mr. Gus Christie	Employer Appointed (Chair)
Ms. Carolyn Collard	Member Nominated
Mr. Peter Hewitt	Employer Appointed (Independent)
Ms. Sarah Hopwood	Employer Appointed
Ms. Karen Stidder	Member Nominated

Carolyn Collard and Karen Stidder are both Member-Nominated Trustees, having been nominated and selected by the Scheme's members for a fixed Term of Office. Carolyn's Term of Office expires on 16 October 2025, and Karen's Term of Office was due to expire on 30 April 2024, however Karen has agreed to stay within her present role for another term.

## Advisers to the Trustee Board

The duties of the Trustees are many and complex. In order to assist the Trustees in running the Scheme, a number of professional advisers have been appointed to provide specialist expertise in particular areas of Scheme management. Currently, the Scheme's advisers are:

Administrators	Capita
Secretary and Consultants	Capita
Actuary	Martin West FIA, Capita
Investment Managers	Rothschild Wealth Management (UK) Ltd Capital Group
Auditors	Crowe UK LLP
Bankers	Lloyds Banking Group plc
AVC Providers	AVIVA (formerly Friends Life)
Legal Advisers	DLA Piper LLP

## 3. Funding

### How is my pension paid for?

The payment of pensions to Scheme members upon retirement is funded through contributions to the Scheme from Employers and Employees throughout the full period of active membership of the Scheme. The money to pay for DB members' pensions is held in a common fund for each section.

### How is the amount which the Scheme needs worked out?

Contributions to the DB Sections need to be sufficient to ensure the fulfillment of benefits promised to DB members now and in the future. The Trustees have a funding plan (the Statement of Funding Principles) agreed with the Employers, which aims to ensure that this is the case.

### The latest Funding Assessment

The Trustees obtain regular actuarial valuations from the Scheme Actuary to assess the value of the assets against the value of benefits earned by members of the DB Sections. This information is then used to determine contribution rates to ensure that the Trustees' objective is met and the Trustees come to an agreement with the Employers on future contributions.

The latest full actuarial valuation was prepared as at 5 December 2020 by the Scheme Actuary, based on assumptions agreed with the Trustees and Employers, resulting in a funding position for each of the DB Sections as follows:

5 Dec 2020	Glyndebourne Section £'000s	Sussex Section £'000s	Devon Section £'000s	Total Defined Benefit £'000s
Assets	£24,138	£6,140	£640	£30,918
Liabilities	£22,263	£5,699	£745	£28,707
Surplus/(Deficit)	£1,875	£441	(£105)	£2,211
Funding Level	108%	108%	86%	108%

Following the 2020 valuation, the Employers agreed to make contributions at the following rates:

	Glyndebourne Section	Sussex Section	Devon Section
Past Service (per annum)	n/a*	n/a*	£21,668 **

\* No deficit reduction contributions are required to be paid by the Glyndebourne and Sussex Employers as the results of the 2020 assessment showed a surplus. This will be reviewed at the next actuarial valuation.

\*\* In order to eliminate funding deficit as at 5 December 2020, The Devon Employers will pay £21,668 per annum from 5 December 2020 to 5 December 2025. This will be reviewed at the next actuarial valuation.

The next full actuarial valuation date is as at 5 December 2023 and will be produced by the Scheme Actuary.

#### 4. Membership figures from the audited Trustee Report and Accounts YE 5 Dec 2022

Membership Category as at 5 December 2022	Glyndebourne Section	Sussex Section	Devon Section	Total DB Membership
Active	7	3	0	10
Pensioner	37	47	4	88
Deferred	22	7	4	33
Total	66	57	8	131

#### 5. Accounts for year to 5 December 2022

	Glyndebourne Section (£)	Sussex Section (£)	Devon Section (£)	Total DB (£)
FUND AT 5 DEC 2021	26,662,492	6,648,655	638,164	33,949,311
INCOME				
Members' Contributions	29,704	5,143	-	34,847
Employers' Contributions	84,288	35,884	52,336	172,508
Investment Growth	53	44,783	13	44,849
EXPENDITURE				
Benefits	814,930	252,269	39,927	1,107,126
Leavers & Transfers	255,031	-	975	256,006
Insurance Premiums	7,745	1,583	248	9,576
Running Expenses	777,125	563,188	41,119	1,381,432
FUND AT 5 DEC 2022	24,921,706	5,917,425	608,244	31,447,375

#### 6. Investment figures from the audited Trustee Report and Accounts

During the year, the day-to-day management of the Scheme's investments has been delegated by the Trustees to Rothschild Private Fund Management Limited "Rothschild" (Devon and Sussex Sections) and Capital Group (Glyndebourne Section). The investment managers appointed have the appropriate knowledge and experience necessary to manage the particular investments delegated to them.

The managers' duties include the consideration of social, environmental or ethical issues in the selection, retention and realisation of investments as well as voting and corporate governance in

relation to the Scheme's assets. The Trustees have reviewed each of the investment managers' policies on these issues. The Trustees believe that the policies adopted by the managers are consistent with their own views.

Investment performance and strategy are reviewed on a regular basis by the Trustees. We can report that in quarter 3 2023, the investments held by Rothschild had a market value of circa £2.7m; and the investments held by Capital Group had a market value of circa £6m.

### **Statement of Investment Principles**

In accordance with Section 35 of the Pensions Act 1995, the Trustees have prepared a Statement of Investment Principles ("SIP") for each section of the Scheme which includes the Trustee's policy relating to ethical investment and the exercise of the rights attaching to investments.

Copies of the SIPs are available on the Scheme website [christiepension.com](http://christiepension.com) and from the Trustees on request.

## **7. Frequently Asked Questions**

### **What would happen if the Scheme were wound up?**

The Trustees of the Scheme have insured your benefits with Just by purchasing an insurance policy known as a "buy in" policy. This policy was purchased in the name of the Trustees and is an investment of the Scheme.

When the Trustees will decide to "buy-out" your defined benefits under the Scheme with Just you will receive an individual policy with Just, in your own name, in respect of your Scheme benefits. This is often referred to as a "buy out" policy and will be a contract between you and Just. This process is not expected to be completed for a number of months yet and you will continue to be kept up to date during the process. As a consequence, the sponsoring employer and the Trustees will wind up the Scheme.

Further communications will be sent to you in the future. Therefore, it is very important that you keep Capita informed of any changes to your contact details.

## **8. Will my pension be enough?**

All of us have a personal responsibility to plan for our futures and pensions are no exception. Sadly, it's something we frequently "never get round to". The Christie Pension and Life Assurance Scheme provides valuable benefits on retirement but these benefits may not be enough on their own to give you the income you will need when you retire.

### **State Benefits**

Your State Benefits are an important part of your overall retirement provision. You can obtain a forecast of your State pension by completing form BR19 which can be obtained from your local Social Security Office or from the benefits agency, RFP Unit, Pensions and Overseas Benefits Directorate, Newcastle upon Tyne NE98 1YX. It is also available on the internet at [www.thepensionsservice.gov.uk](http://www.thepensionsservice.gov.uk)

### **What else can I do to review my retirement position?**

1. Consider taking financial advice. A good financial adviser will be able to assess your needs and recommend an appropriate course of action. If you are a current employee and are considering leaving the Scheme, you may wish to consult a professional advisor, such as an independent financial advisor, before taking any action. A local financial adviser may be contacted at

[www.unbiased.co.uk](http://www.unbiased.co.uk) or by calling 020 7833 3131. Please note you may be charged for any advice received.

2. It is important to keep the Trustees informed of any changes to your address so that we can continue to send information about the Scheme to you.

## 9. Pensions tax limits

### Lifetime Allowance

The Lifetime Allowance is the limit of the amount of tax-privileged pension savings a person can build up over their lifetime. There will be no lifetime allowance charge in tax year 2023/24. The lifetime allowance will be abolished from 6 April 2024. Maximum tax-free cash will be frozen at £268,275 from 6 April 2024.

### Annual Allowance

The Annual Allowance is the limit on the amount of tax-privileged pension savings a person can make in any one year. The Annual Allowance is currently £60,000. If the value of your total pension savings increases by more than the Annual Allowance in any year, you will be liable for a tax charge. You can carry over some unused allowance from previous years, and special tax protections are available in certain circumstances.

If you have any queries or concerns about how this might affect you, you should speak to an Independent Financial Adviser. Details of an adviser near you can be found at: [www.unbiased.co.uk](http://www.unbiased.co.uk).

## 10. Capita Cyber Incident

Capita Pensions Solutions Limited (Capita) is the administrator of the Christie Pension & Life Assurance Scheme. The Trustees were told by Capita that Capita experienced a cyber incident following an unauthorised access to Capita's systems on or around 22 March 2023, before being interrupted by Capita on 31 March 2023.

The Trustees were notified by Capita on 22 May 2023 that personal data which Capita processes on behalf of the Trustees had been part of the data exfiltrated as a result of the cyber incident. The Trustees have taken action to comply with its regulatory obligations, including informing relevant regulators and communicating with affected members.

## 11. State Pension Age

State Pension can currently be accessed at age 66. The State Pension age is planned to increase to 67 and then 68 by 2046. As people are living longer and the population ages, the Government has started one of its regular reviews of the State Pension age to ensure it continues to be appropriate. The new State Pension has increased to £203.85 per week for the 2023/24. You can claim the new State Pension if you're: a man born on or after 6 April 1951. a woman born on or after 6 April 1953.

You can check your State Pension age at <https://www.gov.uk/state-pension-age>

## 12. Expression of Wish Forms

In the event of your death, certain lump sums may be payable, which are payable at the discretion of the Trustees. In order to assist the Trustees to decide who should receive such lump sums, please ensure your Expression of Wish Form is up to date. You can obtain a new Expression of Wish Form from Capita or from Karen Stidder.

## 13. Guaranteed Minimum Pension "GMP" Equalisation

**Were you a member of the Scheme between May 1990 and April 1997? If so this might be relevant to you.**

A GMP is a component of a member's total scheme pension. The method for calculating GMPs is set out in legislation. Historically there has been inequality in respect of GMP benefits between men and women, however, there has been a High Court ruling which addressed this inequality and which confirmed that it is not compatible with UK or EU legislation. The duty to equalise for the effect of GMPs only applies in respect of GMPs built up on and from 17 May 1990 up to and including 5 April 1997.

The Trustees continue to engage with the Scheme's advisers to work out which members are affected and what steps will be taken to equalise their benefits. There will be separate communications from the Scheme to those members when there have been further developments in this area.

The completion of the GMP project is expected by March 2024.

#### **14. Transfer Regulations to prevent scams**

Due to the increased risk of pension scams, new rules came into place on 30 November 2021 that require trustees and pension providers to prevent pension transfers if they believe the circumstances to be suspicious. Factors that may give rise to a request for a pension transfer being refused include, but are not limited to, a member:

- Not providing sufficient information in relation to the transfer when requested to do so
- Not providing evidence of having taken guidance from MoneyHelper
- Being given financial advice from a company without the appropriate regulatory permissions
- Receiving an unsolicited request to transfer funds from the Scheme to another arrangement
- Feeling pressured into making a transfer
- Wanting to transfer to a receiving scheme with high-risk, unregulated investments and/or which charges fees that are unclear or noticeably high

It is important to remember that these regulations have been introduced to help reduce the risk of pension scams. Our administration team are on hand to liaise with you about your transfer and give you the opportunity to get guidance from MoneyHelper should your initial transfer request be denied <https://www.moneyhelper.org.uk/en/pensions-and-retirement>.

In most cases, you will be required to have obtained independent financial advice from a registered IFA before being able to transfer your DB section benefits out of the Scheme.

The Regulator's leaflet includes guidance for looking after your savings and benefits. You can view a copy of the leaflet on the Pensions Regulator's website: <https://www.thepensionsregulator.gov.uk/en/pension-scams>

The Financial Conduct Authority (FCA) has dedicated a section of its website to help people avoid pension and investment fraud. It keeps a 'warning list' of known scams. You can find whether an offer you have received is on the warning list by answering a series of questions on the FCA website. The website address is:

<https://www.fca.org.uk/scamsmart/warning-list>

If you think you may have been contacted by a scammer, get in touch with Carolyn Collard or Capita to check out the validity of your contact before you take any further action. Finally, if you have taken up an offer to transfer your benefits but are now worried it could be a scam, it may not be too late but you should act immediately.

- Contact Karen Stidder or Capita straight away. They may be able to stop a transfer if it has not yet taken place.
- Call Action Fraud on 0300 123 2040 to report it.

**Important:** If you are thinking of leaving the Scheme for any reason, you should consult a professional advisor, such as an independent financial advisor, before taking any action.

## 15. Cost of Living

We're all aware of the rising costs of living. If you're struggling financially, there are lots of organisations that can help you with budgeting and advice on any benefits you may be entitled to. A few of these are listed below:

- **MoneyHelper** - [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) - MoneyHelper brings together the support and services of three government-backed financial guidance providers: the Money Advice Service, the Pensions Advisory Service and Pension Wise for free and impartial guidance.
- **Citizens Advice** - [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) - a national charity and network of local charities offering confidential advice online, over the phone, and in person, for free.
- **National Federation of Occupational Pensioners** - [www.nfop.org.uk](http://www.nfop.org.uk) - a not-for-profit membership organisation providing a broad range of carefully selected services and a voice for people in retirement.
- **The Government's Help for Households** - [helpforhouseholds.campaign.gov.uk](http://helpforhouseholds.campaign.gov.uk) - support with energy saving tips and information on financial support available to help with the cost of living.

If you think you may have lost track of an old pension, use the government's pension tracing service at [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

## 16. Further Information

Information available on request from the Scheme administrators includes copies of:

- **The Statements of Investment Principles**  
These are prepared for each Section of the Scheme and explain how the Trustees invest the money paid into the Scheme.
- **The Schedules of Contributions**  
This shows how much money is being paid into the DB Sections of the Scheme.
- **The Annual Report and Accounts**  
This shows the Scheme's income and expenditure. The latest Report covers the year to 5 December 2022.
- **The Actuarial Valuation Report**  
This applies to the DB Sections following the actuary's check of the Scheme's funding situation as at 5 December 2020.
- **The Explanatory Booklets**  
A copy of the Members' Booklet can be obtained from Karen Stidder or from Capita.
- **The Statements of Funding Principles**  
These are prepared for each DB Section of the Scheme, and set out the funding plan for each of the DB Sections.
- **The Recovery Plans**  
These are prepared for DB Sections of the Scheme if applicable, and explain how the funding shortfall in the DB Sections is to be made up.

Should you require any further information about your benefits, please contact the Scheme administrators at:

**The Christie Pension and Life Assurance Scheme**

Capita

PO Box 555

Stead House

Darlington

DL1 9YT

Email: [ops6enquiries@capita.co.uk](mailto:ops6enquiries@capita.co.uk)

Tel: 0345 601 0607

E-mail: [nicola.donaldson@capita.com](mailto:nicola.donaldson@capita.com)

If you wish to contact the Trustee Board, please write to:

**The Christie Pension and Life Assurance Scheme**

c/o Karen Stidder

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Lewes

East Sussex BN8 5UU