

## GENERAL

### ► Xafinity consulting

Earlier this year Xafinity Consulting merged with Punter Southall and have renamed themselves XPS. The Trustee reviewed whether such a merger would be likely to have any adverse impact on the service Xafinity provided to both the Trustee and Members. They came to the conclusion that there should be no adverse impact.

### ► Deferred Member Online Access – Compendia web portal

All Deferred Members should have received letters confirming their unique username and password to access the Compendia website, [www.compendia-asp.co.uk/xafinityconsulting/](http://www.compendia-asp.co.uk/xafinityconsulting/)

Feedback with regard to your user experience would be helpful and which will be passed to XPS to enable them to make the necessary adjustments. If you have difficulty in accessing the Compendia website, you can contact the Compendia Helpdesk directly [CompendiaHelpdesk@XPSgroup.com](mailto:CompendiaHelpdesk@XPSgroup.com)

### ► Deferred Members with no internet access to the pension scheme website

For members who do not have internet access or are unable to open a PDF document, please contact XPS for a hard copy of any document you may wish to view.

### Change of contact details

Should you change your contact address, please notify XPS either email, including your date of birth and national insurance number to help with identity checks and to ensure that you continue to receive correspondence and details of any future benefits due to you.



## ADVISERS TO THE PLAN

The Plan's advisers are as follows:

### Legal

Hogan Lovells, appointed in 2008

### External Administrator

XPS, appointed May 2008

### Plan Actuary

Colin Price, Xafinity Actuarial, appointed May 2008

### Auditors

Crowe Clarke and Whitehill - appointed 2017

### Investment Manager

Mercers, re-appointed March 2010

In addition to annual reviews of performance, the Trustee endeavours to undertake a full review of the Plan's advisers every 3-5 years.

## CONTACT DETAILS

If a Member has a query, XPS, through the email contact below is the first point of contact.  
**Email:** [YMCA@XPSgroup.com](mailto:YMCA@XPSgroup.com)

### YMCA contact details are:

YMCA Pension & Assurance Plan  
10-11 Charterhouse Square  
London EC1M 6EH

YMCA Switchboard: 020 7186 9500  
Pension Website: [www.pensions.ymca.org.uk](http://www.pensions.ymca.org.uk)

Any queries regarding the content of this Newsletter, should contact Paul Smillie (Company Secretary)  
**Email** [paul.smillie@ymca.org.uk](mailto:paul.smillie@ymca.org.uk)  
or **Telephone** 020 7186 9579

## YMCA PENSION & ASSURANCE PLAN MEMBERS' ANNUAL NEWSLETTER

September 2018



Welcome to the Annual Newsletter which provides informative updates to Members. The Trustee welcomes any suggestion from Members which would improve the content and format of the Newsletter.

## FINANCE

### YMCA Pension & Assurance Plan Annual Accounts to 30/04/2017

The annual accounts are available on the pension website and can be found under the Member section.

### Annual Accounts to 30/04/2018

These will be considered at the Trustee meeting on the 27 September and will be posted on the pension's website in October.

### Triennial Valuation at 1 May 2017

The valuation is now available and is posted on the Pension Website in the Participating Employer section. Also, see highlights later in this newsletter.

### Summary Funding Statement at 1 May 2017

- concise version

The purpose of the Statement is to give members an update on the Plan's financial health (or funding position). The Trustee looks after the Plan on behalf of its members. We produce an annual statement to provide members with updated information about the funding of the Plan. The funding level has slightly

improved since the 2016 update and the previous formal valuation of the Plan as at 01 May 2014. The most significant influences on the funding position have been as follows;

- Deficit reduction contributions and the S75 debt payments from former participating employers, acting to reduce the deficit.
- Better than expected asset performance, acting to reduce the deficit.
- These were partly offset by a decrease in underlying gilt yields leading to a decrease in both the pre and post-retirement discount rates and hence an increased value placed on the Plan liabilities.

### The ongoing funding level

The latest formal valuation was carried out as at 1 May 2017 and the final results are shown in the table below together with the results of the latest formal actuarial valuation as at 1 May 2014.

A comparison of the funding positions	1 May 2017	1 May 2014
Assets	£141.2m	£90.8m
Amount needed to provide benefits (on an ongoing basis)	£174.8m	£129.5m
Deficit (ongoing)	£33.6m	£38.7m
Funding level (value of assets/value of benefits)	81%	70%

For information, the estimated amount needed, in addition to the existing Plan assets, to ensure that all member's benefits could have been paid in full if the Plan had started winding up at 1 May 2017 was about £103.5 million.

**Inclusion of this information does not imply that the Trustee is thinking of winding-up the Scheme.**

Since 1 May 2017 participating employers are making contributions of approximately £3 million per year towards the deficit. In addition they are also making annual contributions towards the expenses of the Plan.



YMCA enables people to develop their full potential in mind, body and spirit. Inspired by, and faithful to, our Christian values, we create supportive, inclusive and energising communities, where young people can truly belong, contribute and thrive.

## MEMBERS

### ► Trivial Commutation (lump sum in lieu of pension)

HM Revenue and Customs (HMRC) have increased the amount of cash you can take in lieu of a small pension, referred to as Trivial Commutation.

To qualify for a Trivial Commutation Lump sum, you must currently be at least 55 years old and the maximum overall value of all your pension entitlement added together (excluding the State Pension) has to be less than £30,000, (this limit used to be £18,000). You can be drawing your YMCA pension or yet to start doing so. If the value of your pension benefits are £10,000 or less (increased from £2,000), you may be able to take a cash sum without considering any other pension pots you have. The Trustee recommends that members take independent financial advice prior to making a decision.

The current process for members aged 55 or over coming up to retirement is for the retirement quotations to automatically include the option to take a trivial commutation, where applicable.

The limit on paying death benefits as trivial lump sums has been raised from £18,000 to £30,000 for members who die after a specified date. The trivial commutation rules will allow lump sums to be paid from age 55 for the recipient.

### ► Cash Commutation Factors

These are the rates used to convert part of your

pension into a tax-free lump sum at retirement. Upon retirement a Member has the right to give up a percentage of their annual pension (up to 25%) and receive a tax-free cash lump sum instead. These have been increased to better reflect investment conditions and market practice. For example, at age 65 a Member would receive £16.20 for every £1 of annual pension they give up. The commutation rates vary dependant on age and the applicable rate is communicated to Members when a retirement quotation is sought.

### ► Transfer Values

A member who has not started to draw their YMCA pension benefits has the right to seek a transfer out of the value of their final salary pension entitlement to a registered pension provider. The Trustee, following advice from the Plan's Actuary on completion of the 2017 Actuarial Valuation, has agreed a basis for these transfers to be paid at a level of 100% of the assessed value, and not reduced as previously due to the relatively low funding position of the Plan. Members wishing to seek a transfer value should contact XPS in the first instance. [YMCA@xpsgroup.com](mailto:YMCA@xpsgroup.com)

### ► Enhanced Transfer Value exercise (ETV)

Members will recall in the 2017 Newsletter that a joint working party of the Pension Trustee, the Principal Employer and employers has engaged in an exercise to consider the possibility of an enhanced transfer value exercise for Deferred Members (those members still to receive a pension) to enable them to take advantage of

the HMRC flexibility over how to draw their retirement benefits if they chose to do so. The Principal Employer/ employers sought the support of the majority of employers to participate in the exercise and recently this has been achieved.

Work is now in hand, Mercer have been appointed by the Principal Employer to act as advisor to the exercise and Origen have been appointed as Independent Financial Advisors who will provide individual, personalised advice to the Deferred Members, paid for by the employers.

There will be a three month window for the eligible Deferred Members to engage in the exercise and seek financial advice. It is now anticipated that the exercise will commence in Spring/Summer of 2019.

Those eligible will be contacted well in advance with a full explanation of the options available and the process to consider these with independent financial advice.

Not all Deferred Members will be eligible to access this facility and a communication will be issued to all members in due course with further details.

### ► Pensions liberation - beware pension scams

The Trustee wishes to highlight the concerns with regard to companies which claim they can give you access to your pension by giving you cash from your pension fund before you reach the minimum age for

early retirement. This is achieved by persuading you to transfer your pension out of the Scheme and into an arrangement set up by them. Both The Pensions Regulator and HMRC have noted an increase in these scams and have recently launched a new campaign urging members of pension schemes not to be taken in by website promotions, cold callers or advertisements encouraging transfers to new arrangements in order to access a cash payment or loan.

More information can be found on The Pension Regulators website, using the following link: [www.thepensionsregulator.gov.uk/individuals/dangers-of-pension-scams.aspx](http://www.thepensionsregulator.gov.uk/individuals/dangers-of-pension-scams.aspx)

The key message the Regulator wants to get across is that 'Pension Loans' or cash incentives are being used alongside misleading information to entice savers as the number of pensions scams increase.

This is known as 'pension liberation fraud'. In rare cases – such as terminal illness – it is possible to access funds before age 55 but for the majority promises of early cash will be bogus and are likely to result in serious tax consequences and the loss of money.

The Trustee has now introduced further checks for those individuals who wish to proceed with a transfer of benefits out of the Plan. The check is in the form of a telephone call with the member to verify certain information.

## PENSION TRUSTEE MEMBERS

Following the call for Member Nominated Directors (MND) at the end of last year, Janet Joy, formerly of Watford YMCA was the sole nominee and joined the Pension Trustee Board in December. Andrew Rice another of the MNDs has decided to step down as a Trustee. Our thanks go to Andrew for his service to the Pension Plan. Enclosed is a nomination form to seek a replacement. Further details can be had from Paul Smillie.

Paul Smillie has given notice that he intends to retire at the end of December 2018. The Trustee is exploring the most appropriate replacement for Paul.



## LEGAL

### ► Data Protection & GDPR – Fair Processing

From time to time the Trustee will be required to notify YMCA employers of the data held by the Trustee, i.e., the dates between which the member was employed by the YMCA employer, date of birth, gender and whether the member is deferred or pensionable member. The information provided will have been held by the employer during the member's employment. No contact details or other information is provided to the employer.

The General Data Protection Regulation (GDPR) is a new Regulation brought in by the EU from May 2018 to

introduce greater control over the use of personal data. The GDPR contains more specific requirements for the use and protection of personal data than the existing legislation. This will impact on UK based occupational pension schemes such as the YMCA. Clearly the YMCA Pensions Department holds personal data of Members and steps have been taken to ensure our policies and procedures, as well as those external partners who hold data, comply with the new Regulations. Members will have been contacted in a joint letter from XPS and the Pension Trustee outlining the data we hold and the reasons why we hold such data.