

## MEMBER ANNUAL Newsletter **MAR** 2015

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.

The timescale for issuing the employers newsletter has been changed to fall in line with the signing of the Triennial Valuation report and in future will be issued in March each year.

### Finance

- **YMCA Pension & Assurance Plan – Annual Accounts to 30/04/2014**

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

- **Triennial Actuarial Valuation at 1 May 2014**

The valuation is now available and is posted on the Pension Website in the Participating Employer section and can be found under the employer section.

- **Investment Implementation Policy Document (IIPD) and Statement of Investment Principals (SIP)**

These policy documents have been updated to take account of the new investment strategy and can be found on the pension website and can be found under the employer section.

### Members

- **Trivial Commutation (lump sum in lieu of pension)**

To qualify for a Trivial Commutation Lump sum, you must currently be at least 60 years old and the maximum overall value of all your pension pots added together (excluding the State Pension) has to be less than £30,000, this has increased from £18,000. 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 would recommend that members take independent financial advice prior to making a decision.

The current process is that for members aged 60 and over the retirement quotations automatically includes the option to take a trivial commutation, where applicable.

- **Trivial commutation and small pot lump sums from 6 April 2015**

The limit on paying death benefits as trivial lump sums will also be 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 rather than currently at age 60.

- **Same Sex Marriage – proposal to extend the definition of Qualifying Spouse**

The pension trustee is proposing a change to the Trust Deed and Rules to extend the definition of Qualifying Spouse to include spouses in same sex marriages. This proposed change will also impact upon the definition of Qualifying Children, whereby a Qualifying Child receives a pension on the death of a member or spouse.

- **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 HM Revenue and Customs 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:

**<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.

The Pension Regulator said £495 million was lost to such scams in the first 6 months in 2014 but the true figure is likely to be higher because not all losses are reported.

# YMCA PENSION & ASSURANCE PLAN

## ● Summary Funding Statement – concise version

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

## The ongoing funding level

The latest formal valuation was carried out as at 1 May 2014 and the final results are shown in the Actuarial Valuation to be found on the pension website. The table below provides the funding position at both 1 May 2011 and 1 May 2014.

A comparison of the funding positions	1 May '14	1 May '11
Assets	£90.8m	£71.0m
Amount needed to provide benefits (on an ongoing basis)	£129.5m	£103.3m
Deficit (ongoing)	£38.7m	£32.3m
Funding level	70%	69%

The YMCA Pension and Assurance Plan closed from the 1 May 2007 to:

1. New entrants
2. Future accrual of service for those still in active membership at 30 April 2007

From 1 May 2011 agreement was reached to break the link with final salary.

From the 1 May 2014 participating employers are making contributions of approximately £3 million per year towards the shortfall. In addition they are also making annual contributions towards the expenses of the Plan. The estimated amount needed, in addition to the existing Plan assets, to ensure that all members' benefits could have been paid in full if the Plan had started winding up at 1 May 2014 was about £89.5 million. Inclusion of this information does not imply that the Trustee is thinking of winding up the Scheme.

## ● Ill Health Retirement – eligibility conditions

Trustee has to be satisfied that a member has retired from employment due to ill health before considering the application for an incapacity pension. There is an ill health retirement flow chart available on the pension website which outlines the procedures and approximate times involved.

## ● 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, <https://www.compendia-asp.co.uk/xafinityconsulting/> Feedback with regard to your user experience would be helpful and which will be passed to Xafinity to enable them to make the necessary adjustments. If you have difficulty in access the Compendia website, you can contact the Compendia Helpdesk directly **CompendiaHelpdesk@xafinityconsulting.com** or you can contact Isabel Kaye who will pass on your request to the Compendia helpdesk.

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

For member's who do not have internet access or unable is to open a PDF document, please contact Isabel Kaye for a hard copy of any document you may wish to view.

## ● Change of contact details

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

## Advisers to the Plan

### Legal

Hogan Lovells.  
Appointed in 2008.

### External Administrator

Xafinity Consulting.  
Appointed May 2008.

### Plan Actuary

Colin Price, Xafinity Actuarial.  
Appointed May 2008.

### Auditors

BDO (formerly PKF).  
Re-appointed 2013.

### Investment Manager

Mercers.  
Re-appointed March 2010.

The Trustee endeavours to undertake a review of the Plan's advisers every 3-5 years.

## Members with no internet access

For member's who do not have internet access or unable is to open a PDF document, please contact **Isabel Kaye** for a hard copy of any document you may wish to view.



Any queries regarding the content of this Newsletter, should contact either **Isabel Kaye** (contact details below) or **Paul Smillie** (Company Secretary) Email [paul.smillie@england.ymca.org.uk](mailto:paul.smillie@england.ymca.org.uk) or 01823 325860