

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 30/04/2015**

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

● **Updated Annual Updated Valuation at 1 May 2015**

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.

Members

● **How the changes affect your New State Pension – affective from April 2016**

From 6 April 2016, there will be a new State Pension for people reaching State Pension age on or after this date you will be able to claim the new State Pension if you are a man born on or after 6 April 1951 or a woman born on or after 6 April 1953. If you reach State Pension age before 6 April 2016 – you are a man born before 6 April 1951 or a woman born before 6 April 1953 – you will receive the current State Pension. When the new State Pension is introduced it will replace the existing basic and additional State Pension

Under both the current and the new schemes, the amount of State Pension you receive will take account of any time that you have been contracted - out and paid National Insurance at a lower rate.

● **Guaranteed Minimum Pension (“GMP”) reconciliation – how this may affect you**

GMP is the minimum level of pension a scheme is required to pay to members who were contracted out of the State Earnings Related Pension Scheme prior to 6 April 1997.

GMP reconciliation is the comparison of membership and GMP figures between the YMCA Pension & Assurance Plan and HM Revenue & Customs (HMRC) records. If GMP is recorded inaccurately, this means that pension payments can be incorrect. The process is complex and covers both under and over payments.

The abolition of contracting out for defined benefit schemes in 2016 has required the Plan to reconcile its members GMP liabilities. Once the GMP reconciliation exercise has been completed this may have an impact on some members GMP. Where there is any impact on members pensions, we will communicate directly with those members affected.

● **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.

● **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 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

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 approximate valuation was carried out as at 1 May 2015 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 2015	1 May 2014
Assets	£111.5m	£90.8m
Amount needed to provide benefits (on an ongoing basis)	£152.0m	£129.5mm
Deficit (ongoing)	£40.5m	£38.7mm
Funding level	73%	70%

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 2015 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 2015 was about £104 million. Inclusion of this information does not imply that the Trustee is thinking of winding-up the Scheme.

Legal

● Same Sex Marriage

The definition of Qualifying Spouse now includes those in same sex marriages.

● Data Protection – 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 or other details are provided to the employer.

General

● 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 members who do not have internet access or are unable 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.

● Isabel Kaye, Pensions Assistant Administrator

Isabel will be leaving on 21 April 2016 after 20 years with the YMCA. A recruitment process is underway for Isabel's replacement.

Advisers to the plan

The Plan's advisers are as follows:

Legal

Hogan Lovells,
appointed in 2008

Auditors

BDO (formerly PKF),
re-appointed 2013

External Administrator

Xafinity Consulting,
appointed May 2008

Investment Manager

Mercers,
re-appointed March 2010

Plan Actuary

Colin Price, Xafinity Actuarial,
appointed May 2008

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

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 or 01823 325860