

know your pension

For members of the Defined Contribution (DC) Section of the FDR
Limited Pension Scheme (the Scheme)

YOUR PENSION HEADLINES:

DC Section assets
valued at £23 million
at April 2013
.....

Budget 2014 – how
you might be affected
.....

Pension News
.....

Have you updated
your Expression of
Wish form?
.....

Trustee News
.....

Contact us

Welcome to the 2014 edition of Know Your Pension, specifically for members of the DC Section of the Scheme. It contains all the information you need to know on how the Section has been managed during the Scheme year ending 31 March 2013, as well as the latest pension news. On 31 August 2013 the DC section closed and all remaining members are now deferred members.

There have also been some big changes in pensions recently, and with the recent Budget announcement there may be more in the future.

Why not spend a few minutes getting to know your pension a bit better?

We hope that you find this newsletter informative; however, if you have any questions about your pension benefits in the DC Section or any of the matters raised in this newsletter, please contact us using the details on the back page.

The Trustees



➤ Facts and figures

Accounts

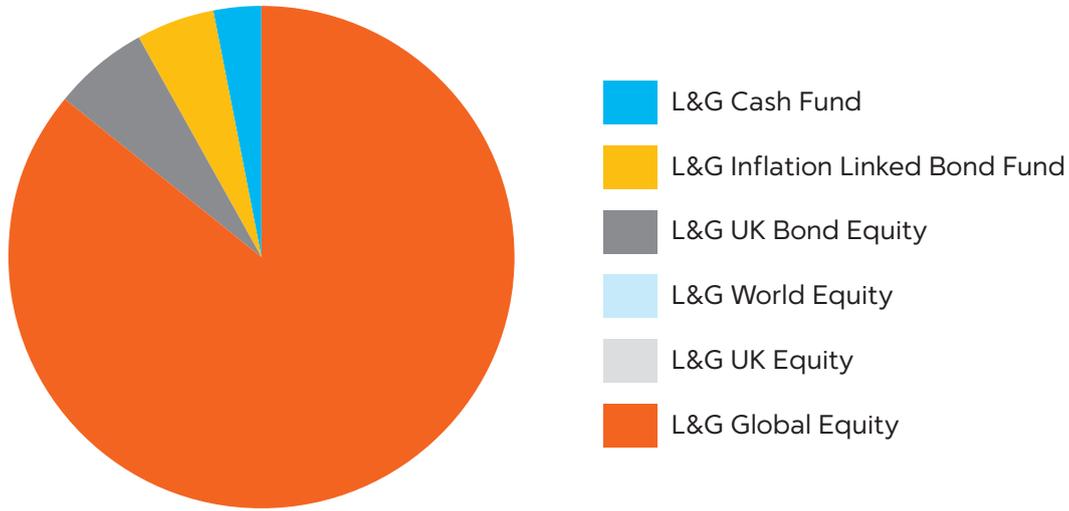
Below are details of the DC Section's income and expenditure for the year ended 31 March 2013 and 31 March 2012:

	2012/13	2011/12
▲ Fund value at 1 April	£17,360,171	£13,805,411
▲ Income		
Employer's normal contributions	£166,781	£248,392
Employer's other contributions	£1,974,374	£1,624,124
Members' normal contributions	£111,187	£98,071
Members' salary sacrifice contributions	£1,292,276	£1,069,041
Members' additional voluntary contributions	£237,399	£266,339
Transfers in	£177,357	£39,122
Other income	£296,940	-
TOTAL INCOME	£4,256,314	£3,345,089
▲ Expenditure		
Benefits	(£427,137)	(£12,827)
Transfers out	(£415,614)	(£256,661)
Payments to and on account of leavers	(£41,028)	(£10,809)
Administration expenses	(£130,460)	(£9)
Other payments	(£98,740)	-
TOTAL EXPENDITURE	(£1,112,979)	(£280,306)
▲ Investments		
Investment income	£3,904	£2,629
Change in market value of investments	£2,650,292	£487,348
Investment management expenses	-	-
▲ Net investment gain / (loss) during the year	£2,654,196	£489,977
▲ Fund value at 31 March	£23,157,702	£17,360,171



Investments

As at 31 March 2013 all the assets of the DC Section were invested with Legal & General Investment Management and Schroder Investment Management Limited. Investments in these funds are made according to each member's chosen investment strategy. The overall spread of the DC Section's assets, as invested at 31 March 2013, is shown below.



➤ Facts and figures (continued)

Investment performance

To ensure that the funds on offer to members continue to provide good investment returns, the Trustees review the performance of the investment managers on a regular basis. The table below shows how each of the funds have performed against their benchmark over 12 months, 3 and 5 years.

Investment Fund	1 year		3 years		5 years	
	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
Global Equity Fund	14.9	15.1	-	-	-	-
UK Equity Fund	16.8	16.8	-	-	-	-
Overseas Equity Fund	13.7	13.5	-	-	-	-
UK Index Link Bond Fund	11.7	11.7	13.0	13.0	9.1	9.1
UK Bond Fund	12.3	12.4	10.5	10.4	9.1	9.0
Cash Fund	0.4	0.4	0.4	0.4	1.1	1.1
Diversified Portfolio Fund	10.5	8.3	6.2	9.1	6.1	8.2

The Trustees regularly review and monitor the range of funds on offer, with the help of their advisers, to ensure that the funds offered are appropriate for members' needs.

Members wishing to make changes to their investment choices can do so by visiting the Scheme website: www.hartlinkonline.co.uk/fdrlimitedpensionscheme.

Target Retirement Age

If you have selected the Lifestyle option, your investments will be switched from higher-risk to lower-risk funds as you near retirement. Your investments switch over a period of 10 years so that at retirement you will have around 75% invested in bonds and 25% invested in cash. You can select a target retirement date between 55 and 75 which will be used to determine when the fund switches take place. If you don't select a target retirement date, it will be set at 65.

If you are affected by the changes to State Pension Age (SPA) outlined in the Pensions Headlines section of the last Know Your Pension and you intend to retire when the State pension becomes payable, you can choose a target retirement age that matches your SPA.

If you want to change your target retirement age or select your investment options, you can do this at any time online at www.hartlinkonline.co.uk/fdrlimitedpensionscheme. Selecting a target retirement age for this purpose is purely an investment-related decision. It doesn't guarantee any entitlement to retire early, as this will still be subject to the normal terms and conditions of the Scheme, and any relevant legislation.

The Lifestyle option is designed so that at retirement 25% of your Member Account is invested in cash. This reflects the option to a take cash sum on retirement which is typically 25% of the total fund value. This may not be appropriate for members with benefits in the DB Section of the Scheme as the maximum cash sum available is currently 25% of the combined DC and DB benefits.

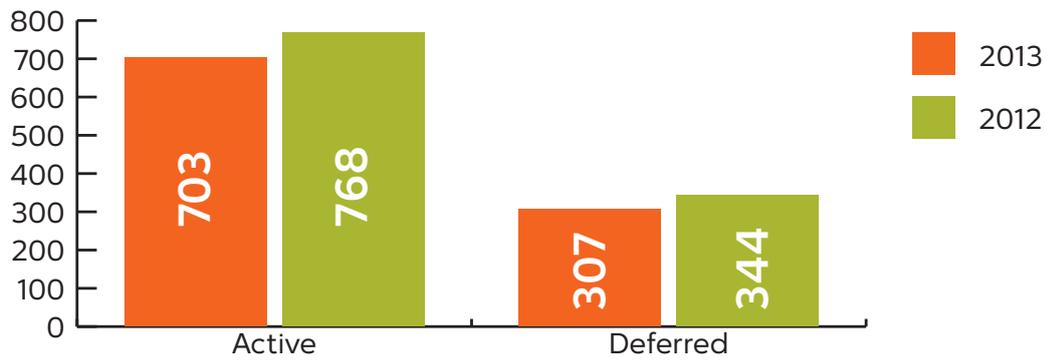


Where DB and DC benefits are taken at the same time, members may use their Member Account to make up some or all of the combined cash sum. This may mean that the cash sum taken from their Member Account is greater than 25% of the fund value.

If you are unsure about how to invest your Member Account, you should speak to an Independent Financial Adviser (IFA). You can find an IFA in your local area at www.unbiased.co.uk.

Membership

The chart below shows membership of the DC Section of the Scheme at 31 March 2013 and 31 March 2012. On 31 August 2013 the DC Section closed and all remaining members are deferred. Further details will be provided in next year's newsletter.



➤ Budget 2014

On 27 March 2014 the Chancellor of the Exchequer announced upcoming plans for pensions, most of which will take effect in April 2015.

Most of the proposed changes will only affect DC pension arrangements, such as the DC Section of the FDR Pension Scheme so we've summarised the things that we think may affect you most:

Flexibility for DC Pension Pots

Currently withdrawing money from a DC pension scheme is surrounded by restrictions such as using pension savings to purchase an annuity or using them to provide an income via a process called 'drawdown'.

Under the changes outlined in the Budget, pension savers are to be given complete freedom over how they can use the money they have saved into their DC retirement pot once they reach a certain age. This may be relevant to members who have paid Additional Voluntary Contributions.

This freedom over the savings in your DC pension pot kicks in from the minimum retirement age. The changes are likely to mean that at the point of taking benefits, savers can withdraw 25% of their DC pension savings tax-free (as is currently the case). Any further money withdrawn from your DC pension savings will be taxed as income at your marginal rate for the tax year in which it is taken.

Increase to Trivial Commutation Limits

Trivial Commutation limits will increase from £18,000 to £30,000. This means that if you have a pension that is valued at less than £30,000 when you retire, you may have the option of taking your pension as a one-off lump sum, 25% of which would be tax-free and the remainder taxed at your standard rate.

Increase to Small Pension Pot Lump Sums

The size and amount of small pension pots that can be taken as a single lump sum will be increased from £2,000 to £10,000. In addition to the increase in value, the number of personal pension pots that can be taken will increase from two to three.

Increase to the Minimum Retirement Age

The Chancellor has suggested that the minimum age that members can access their pension savings should increase at the same rate as the State Pension Age. The current suggestion is that the minimum age would be adjusted to maintain the approximate ten year gap between State Pension Age and the minimum retirement age. As State Pension Age is rising to be 67 in 2028 the suggestion is that the minimum retirement age would rise in line to be 57.

The Government may, however, consider alternative options whilst under consultation such as closing the gap between the minimum retirement age and State Pension Age by setting the new minimum closer to the State Pension Age, for example 5 years below.



Capped Drawdown Limit Increased

The limit on the level of drawdown pension that a member can take is currently limited to 120% of the annual pension that an equivalent member (someone the same age, with the same fund value) could buy in the form of an annuity (e.g. if Mr A has a fund value that can buy an annuity of £5,000 per annum, and Mr B is the same age and has the same fund value, then Mr B's capped drawdown pension would be limited to £6,000). It has been proposed that this level will be increased to 150%.

Flexible Drawdown Limit Reduced

With flexible drawdown there's no limit on the amount you can draw from your pension scheme in any year, however you must already be receiving an income from 'secure pensions' such as the State Pension, most lifetime annuities and defined benefit schemes. The minimum combined amount from these sources was to be at least £20,000 per annum; however this has reduced to £12,000.

Extended Guarantee and Cooling-off Periods

The guarantee periods for annuity quotes are to be extended, giving retiring members more chance to seek advice and review their retirement options. Cooling off periods are also extending, meaning that members will have longer than the usual 30 day period to change their mind once an annuity has been purchased. Further details of these extended periods haven't yet been provided, but the aim is to allow more flexibility for members without them being bound by short time constraints.

Guidance Guarantee

The Government will also introduce a new duty that will require pension schemes to offer defined contribution scheme members a 'guidance guarantee' when they retire. The guidance must be free, impartial and offered face-to-face. The Chancellor was keen to point out that this guidance would not be the same as regulatory advice, and independent financial advice should be sought in addition to the guidance.

Pensioner Bonds

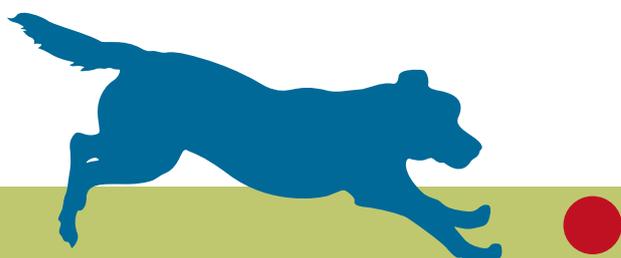
The Government is introducing a new savings product for the over 65s. The new pensioner bond, launched by National Savings & Investments will be available from 1 January 2015. The Chancellor stated:

"The exact rates will be set in the autumn to ensure the best possible offer, but our assumption is 2.8% for a one-year bond and 4% on a three-year bond. That's much better than anything equivalent available in the market today".

The Chancellor has said that up to £10 billion of such bonds would be issued and that a maximum of £10,000 could be invested per bond.

You can find out more about the Budget and how you might be affected by the changes by visiting:

www.gov.uk/government/news/budget-2014-key-announcements



➤ Pension news

Limits on Pension Savings

HM Revenue & Customs set limits on the amount of tax relief you can get on your pension savings. These limits are known as:

Annual Allowance

The Annual Allowance, or AA, is the maximum amount of pension savings that benefit from tax relief each year. You can save more than the limit if you wish, but any amount over the AA will not receive any tax relief. In addition, any pension savings in excess of the AA would be subject to a tax charge.

The AA reduced from £50,000 per year to £40,000 with effect from 6 April 2014.

Lifetime Allowance

The Lifetime Allowance, or LTA, is the maximum amount of pension saving you can build up over your life that benefit from tax relief. If you build up pension savings worth more than the LTA you'll pay a tax charge on the excess.

The LTA reduces from £1.5 million to £1.25 million with effect from 6 April 2014.

Pension Liberation Fraud

Some companies are using promises of early cash alongside poor advice and information with the aim of liberating a pension before the minimum retirement age, which is currently 55. This is known as 'pension liberation fraud' or a 'pensions scam'. Be aware that these enterprises are illegal and only in rare cases (such as terminal illness) is retirement allowed before age 55.

Many people are being approached by cold-callers or text messages, telling them about 'creative investing', 'overseas investments' or 'loop-holes'. These are indicators that the company may be operating fraudulently. If you are contacted by anyone who claims they can use these techniques, you should contact the administration team at Capita, whose contact details can be found on the back page.

Please remember that there may be serious repercussions if people attempt to take their pension savings before age 55. You could lose anything up to 85% of the value of your pension in fees and tax charges, and once the money is gone, it's gone for good.

If you want to learn about the risks of pensions scams and key indicators of a pension liberation company, visit: www.pensionsadvisoryservice.org.uk/media/826600/members_leaflet.pdf



Single-tier state pension

The Government has introduced a flat rate, single-tier state pension for people who reach State Pension age on or after 6 April 2016.

The new single-tier structure will be paid to those who have a minimum of 7-10 years of National Insurance contributions (NICs), and could be around £144 a week if you have paid NICs for 35 years. The changes also mean that you will no longer be able to earn rights based on your spouses' or civil partners' NICs.

The Government have introduced the new system so that it's simpler, fairer, and gives you a clear understanding about what the state will provide, so that you can plan your retirement savings.

The reformed State pension is intended to cost no more than the current system and is expected to cost less from about 2049.

➤ Is your Expression of Wish Form up to date?

The Trustees would like to remind you of the importance of completing and updating your Expression of Wish form.

The Trustees have discretion over who should receive any lump sums that may be payable in the event of your death, and by completing an Expression of Wish form you can help them make their decision by letting them know who you would like any lump sums to be paid. It is much easier for Trustees to make an informed decision if they hold an up-to-date Expression of Wish form.

Any lump sums would be free of inheritance tax as they do not form part of your estate.

You should complete a new Expression of Wish form if your answer to any of the following questions is 'no':

- Have you completed an Expression of Wish form?
- Is your current form less than 2 years old?
- Are your personal circumstances the same now as when you last completed an Expression of Wish form?
- Are the directions in your Will the same now as when you last completed an Expression of Wish form?

If you are a deferred member of the Scheme you should review your Expression of Wish form regularly.



➤ Scheme news

Have you checked your pension online at www.hartlinkonline.co.uk/fdrlimitedpensionscheme?

Even though the DC section has now closed to new contributions, the scheme website is still available for deferred members of the Scheme. If you haven't visited the site before, you might not know about everything that is available to you to help you plan your retirement savings. Just visit the site and click 'Register'.

By registering on the site, you can:

- See and plan your pension savings;
- View the latest Scheme news and information;
- See a month-by-month breakdown of your and the Company's contributions to your Member Account up to the date of closure;
- Use the pension planner to see how much your Member Account might be worth at retirement;
- Use the retirement quotation option if you're reaching retirement age to compare the rates of different leading annuity providers and see what level of income you could receive from your Member Account. The size of your pension will depend on the value of your Member Account, your AVC Account, and the options you select for your pension, together with the cost of buying the benefits when you retire (known as the 'annuity rate').

Don't forget that whether you're new to the site or you're a regular user, by keeping a regular eye on your investments, you help yourself plan for your retirement.



Governance of your Scheme – the Trustees' objectives

The Trustees have set a number of objectives for the governance of the Scheme in a new governance plan. They have also outlined the objectives for First Data and the Scheme's members, which they consider to be:

- To secure retirement benefits through a competitive, well-governed, efficient and cost-effective company pension scheme
- To have enough knowledge and understanding to receive a good pension at retirement through good decision-making relating to:
 - Contribution rate
 - Investment choice
 - At retirement options
- To actively engage with the Scheme and the Trustees throughout the membership journey.

The Trustees also wish to encourage members to think about their objectives and to make full use of the information available to them including the Scheme website, www.hartlinkonline.co.uk/fdrlimitedpensionscheme, and the member information films available at www.knowyourpension.co.uk.

➤ Trustee news

The Scheme is looked after by the Trustees, who take responsibility for managing the Scheme prudently, conscientiously, in good faith, and in the best interests of members and beneficiaries.

At the beginning of 2013 the Company reduced the number of Employer-nominated Trustees from four to two. With effect from 1 January 2013 the Trustees were:

Employer-nominated Trustees Ty Miller, Roger Bracken (resigned 12 June 2013), Keith Rowling (appointed 12 June 2013), Annelise Fournier (appointed 17 September 2013)

Member-nominated Trustees Peter Motley, Carol Dutton

It is a legal requirement that at least one third of pension scheme trustees are member nominated.

To help with the day-to-day running of the Scheme, and to assist with technical matters, the Trustees make use of specialist advisers. The advisers that the Trustees employ are listed below:

Secretary to the Trustees:	Sue Curley of Capita
Scheme actuary:	Andrew Barnes FIA of Towers Watson Limited
Scheme administrator:	Capita
Investment managers:	Legal & General Assurance (Pensions Management) Limited Schroder Investment Management Limited
Employer covenant adviser:	Towers Watson - replaced by Punter Southall from 19 July 2013
Investment consultant:	Towers Watson Investment Consulting Limited – replaced by P-Solve Investments Limited from 1 August 2013
AVC providers:	Equitable Life Assurance Society Standard Life Assurance Society
Solicitors:	SNR Denton UK LLP
Auditor:	Ernst & Young LLP
Bankers:	National Westminster Bank Plc

Help with questions or problems

If you have any comments or questions, or you are dissatisfied with anything to do with the Scheme, you should contact the Scheme administrator, Capita, whose details are below.

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB

Pensions Helpline: 0845 601 2923
Website: www.pensionsadvisoryservice.org.uk

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

Telephone: 0845 6000707
Website: www.thepensionsregulator.gov.uk

The Office of the Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB

Telephone: 020 7630 2200
Fax: 020 7821 0065
E-mail: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

Contact us

If you have any queries about the Scheme or your benefits, please contact us:

Email at: fdr@capita.co.uk
Pensions helpline: 0845 604 5316.

FDR Limited Pension Scheme
Capita
Hartshead House
2 Cutlers Gate
Sheffield
S4 7TL

Also don't forget to let us know if your circumstances change, for example, if you move house.