

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 £22 million
at April 2014

Budget Reminder
– more freedom for
your retirement

Pension News

Have you updated
your Expression of
Wish form?

Trustee News

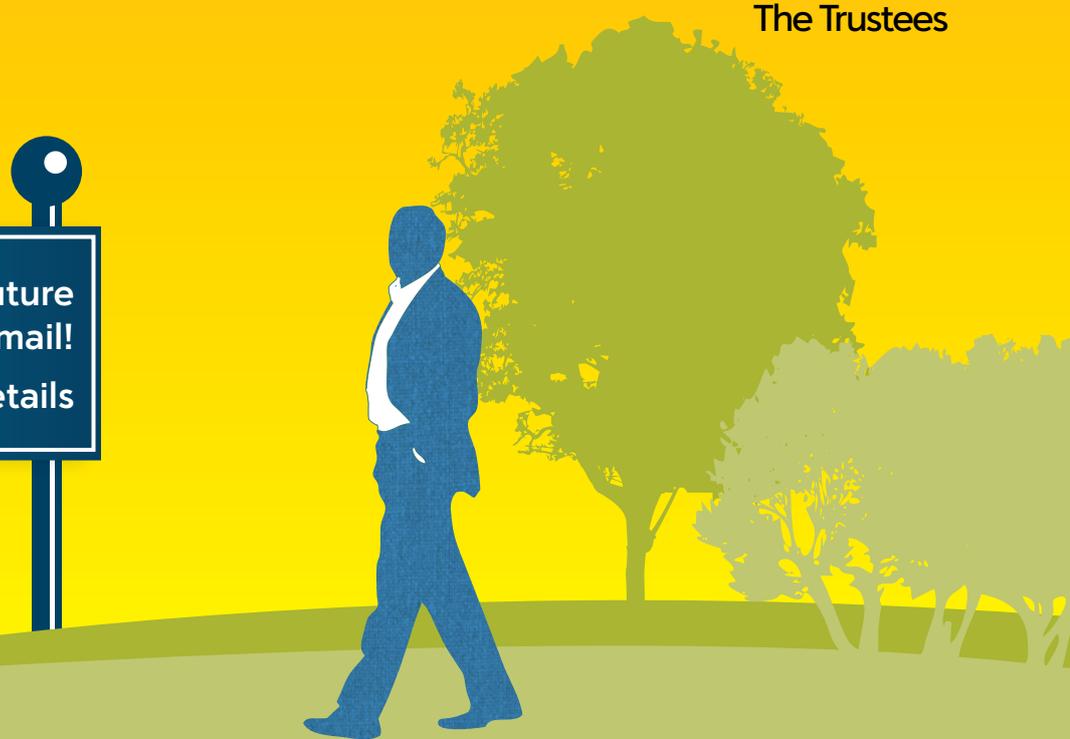
Contact us

Welcome to the 2015 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 2014, as well as the latest pension news. We also remind you about the changes to the way you can take your pension from April 2015.

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



Sign up to receive future
newsletters by email!
See page 10 for details

> Facts and figures

Accounts

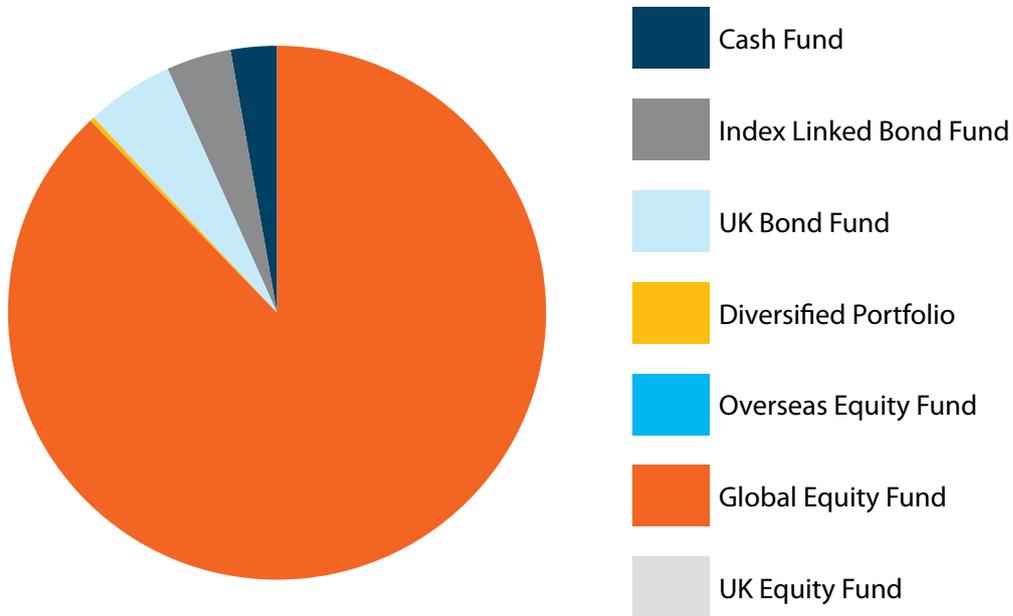
Below are the details of the DC Section's income and expenditure for the year ended 31 March 2014 and 31 March 2013:

	2013/14	2012/13
▲ Fund value at 1 April	£23,157,702	£17,360,171
▲ Income		
Employer's normal contributions	£75,377	£166,781
Employer's other contributions	£1,474,846	£1,974,374
Members' normal contributions	-	£111,187
Members' salary sacrifice contributions	£50,421	£1,292,276
Members' additional voluntary contributions	£88,095	£237,399
Transfers in	£47,433	£177,357
Other Income		£296,940
TOTAL INCOME	£1,736,172	£4,256,314
▲ Expenditure		
Benefits	(£183,475)	(£427,137)
Transfers out	(£5,202,771)	(£415,614)
Payments to and on account of leavers	(£255)	(£41,028)
Administration expenses	(£64,371)	(£130,460)
Other payments	-	(£98,740)
TOTAL EXPENDITURE	(£5,450,872)	(£1,112,979)
▲ Investments		
Investment income	£2,239	£3,904
Change in market value of investments	£2,564,737	£2,650,292
Investment management expenses	(£92)	-
▲ Net investment gain / loss during the year	£2,566,884	£2,654,196
▲ Fund value at 31 March	£22,009,886	£23,157,702



Investments

As at 31 March 2014 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 2014, 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	12.2	12.4	n/a	n/a	n/a	n/a
UK Equity Fund	8.9	8.8	n/a	n/a	n/a	n/a
Overseas Equity Fund	17.9	17.9	10.5	10.4	n/a	n/a
UK Index Linked Bond Fund	-4.5	-4.4	8.9	9.0	8.7	8.8
UK Bond Fund	-0.6	-0.5	8.1	8.2	9.3	9.3
Cash Fund	0.3	0.4	0.4	0.4	0.4	0.4
Diversified Portfolio Fund	5.9	7.7	5.0	8.2	12.1	8.8

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.

As noted on page 7 of the newsletter, the Government is increasing the minimum retirement age from 55 to 57 with effect from 2028. If you have selected a target retirement age below age 57 you should consider whether this is still appropriate for you in light of this change.

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.

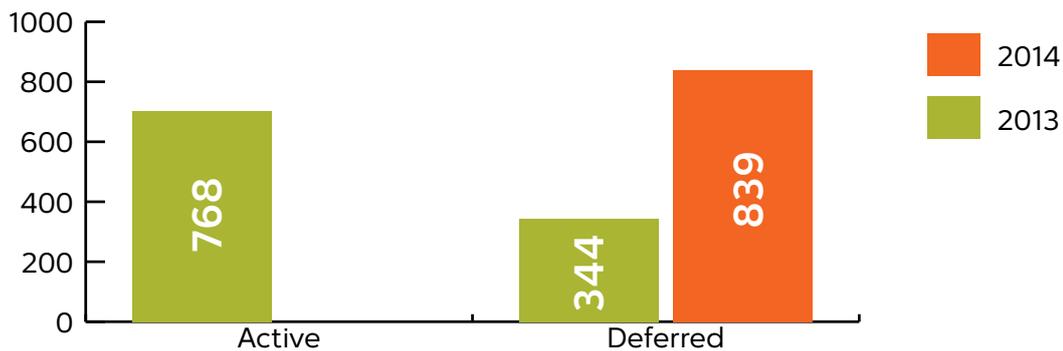
The Lifestyle option is designed so that at retirement 25% of your Member Account is invested in cash. This reflects the option to a take cash sum on retirement which is typically 25% of the total fund value. This may not be appropriate for members with benefits in the DB Section of the Scheme as the 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 2014 and 31 March 2013. The DC Section of the Scheme is now closed and all remaining members are now classed as deferred members.



➤ Budget Reminder – more freedom for your retirement

You may remember that in the last edition of Know Your Pension we let you know about a number of changes affecting pensions brought about by the Chancellor during last year's Budget. Some of the changes were effective immediately and some were scheduled to be effective from 6 April 2015 pending a period of consultation. Following the consultation, we outline below the outcome.

Flexibility

Previously, withdrawing money from a defined contribution (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, from 6 April 2015 pension savers are to be given more freedom over how they can use the money they have saved once they reach a certain age, (currently age 55, although further comment on this age is provided on page 7). The range of options includes a single lump sum payment, a series of lump sum payments, (both known as Uncrystallised Funds Pension Lump Sums), the purchase of an annuity, income drawdown (known as Flexi-Access Drawdown) and a mixture of the above. The option of taking DC benefits as a single lump sum is the most radical of the changes. Under this option 25% of DC savings would be paid tax-free (as is currently the case). Beyond that, savers can withdraw an unlimited amount. However, any further money withdrawn from your DC savings will be taxed as income at your marginal rate for the tax year in which it is taken.

Guidance on retirement

In relation to benefits taken from a DC pension scheme and the Additional Voluntary Contributions taken from a DB scheme, the Government has committed itself to supporting pension scheme members to understand this new pension flexibility along with wider financial issues such as debt, savings, state benefits and care costs.

This is the guidance guarantee that was first promised by the Chancellor in the Budget. It has been confirmed that the delivery partners of the guidance guarantee must be impartial – 'they must not have any actual, or potential, conflict of interest'.

This principle is seen as very important to the Government and it has named the Pensions Advisory Service (TPAS) and Citizens Advice as the two independent organisations already committed to delivering the guidance guarantee. You can also find more information at www.pensionwise.gov.uk, a website set up by the Government.

The proposed guidance is to be delivered four to six months before your scheduled Normal Retirement Age, once the process is up and running. The Government has made it very clear that the guidance guarantee is not regulated financial advice and it will introduce legislation to confirm this.

We are in the process of reviewing our documentation to ensure that the retirement packs issued to you include the relevant information regarding the options available to you and further information regarding the guidance guarantee.



Changes to the Minimum Pension Age

The Normal Minimum Pension Age (NMPA) is the minimum age that retirement benefits can be taken unless the member is drawing benefits on the grounds of ill-health. The Government consulted on increasing the NMPA in parallel with State Pension Age (SPA) and looked at the options that it would be linked to ten or five years below SPA. The Government has decided to increase the NMPA from 55 to 57 in 2028. Thereafter, it is planned to remain ten years below SPA. The Government agreed that it would be a disproportionate change 'at this time' to move the NMPA to within five years of SPA. Arguably, this may still leave the door open to further reform.

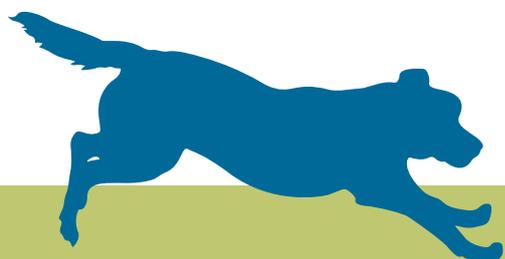
What it means for you now

If you are close to retirement you may wish to think about the changes and how they will affect you, especially if you are about to purchase an annuity. You should consider your options in the light of the changes that have occurred from 27 March 2014 as well as those that come into force from April 2015.

If you think you might benefit from these changes you may wish to consult a professional adviser to discuss the options available to you. Please note that the Trustees are not able to provide financial advice.

The Trustees of this Scheme have been considering which, if any, of these options will be made available from this Scheme. In principle it has been agreed that, in addition to the existing options outlined in the Scheme booklet, the Scheme will in future allow members to take DC benefits and AVCs as a single lump sum. Processes are being established to allow this and further information will be provided to members retiring after 5 April 2015. Members who wish to take their DC or AVC benefits as a series of lump sums or Flexi-Access Drawdown will not be able to do so directly from the Scheme. However, members will be able to transfer their funds to another pension arrangement which does offer these options

If you would like more information on the changes or retirement in general you can visit www.gov.uk or the Money Advice Service www.moneyadviceservice.org.uk, or find an independent financial adviser www.unbiased.co.uk.



> Pension news

From 6 April 2014, the Annual and Lifetime Allowances have reduced:

The Annual Allowance (the amount you can save each Pension Input Period (PIP) into any pension schemes, including employer contributions) has reduced to £40,000. For members who take advantage of one of the new flexibility options under a DC or AVC scheme, there will be a new £10,000 annual limit which will apply to all future contributions into any DC type scheme.

The Lifetime Allowance (the total value of your pension savings, not including any State Pension, before any tax charges are applied) has reduced from £1.5 million to £1.25 million.

In the March 2015 Budget the Chancellor announced that the Lifetime Allowance would be further reduced to £1 million from 6 April 2016. The Lifetime Allowance will then be indexed annually in line with the Consumer Prices Index (CPI) from 6 April 2018.

Many of you will not be affected by these changes, but you should be aware of them.

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 whilst your DC pot remains invested in the Scheme. By completing an Expression of Wish form you can help them make their decision by letting them know to 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.

- 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



New website coming soon!

A new website about the FDR Pension Scheme is currently under construction and will be available later in the year.

If you would like to receive an email when the site is available, you can sign up at www.fdrlimitedpensionscheme.com by submitting a few details. We'll then send you an email as soon as the website 'goes live'.

By signing up, you'll also receive digital versions of the newsletter in the future, straight to your inbox, so there's no waiting for the post! There will also be an archive of previous editions of the newsletter stored on the website, so you can look over past editions whenever you like.

As well as being available for you to read whenever you wish, digital newsletters are the greener option; by choosing to receive digital copies you will be helping the Scheme reduce the amount of paper they use and thereby reducing the environmental impact.

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:
 - 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.



Trustee news

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

At 31 March 2014, the Trustees were:

Employer-nominated Trustees Ty Miller, Keith Rowling, Annelise Fournier

Member-nominated Trustees Peter Motley, Carol Dutton

It is a legal requirement that at least one third of pension scheme trustees are member nominated. The usual term of office for a Member Nominated Trustee (MNT) in the FDR Scheme is three years. For the current MNTs the three year term has now expired and under the existing procedures a further selection process is required. However, the Trustees have reviewed the process in view of a court case which is currently underway in relation to the DB section of the Scheme. The court case relates to the method of calculation of certain DB benefits and does not affect any benefits payable from the DC section. A considerable amount of detailed preparation has been carried out in readiness for the court case and as a result the Trustees do not believe that it would be in members' interests to change the Trustee board at this key stage of the process. Once the court case has been concluded, members will be invited to make nominations for the next term of office. The next nomination process will take place within six months of the case being resolved or two years after the expiry of the current term of office if sooner.

Secretary to the Trustees:	Andrew Smith 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 P-Solve
Employer covenant adviser:	Punter Southall
Investment consultant:	P-Solve Investments Limited
AVC providers:	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 600 0707

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@pensionsombudsman.org.uk

Website: www.pensionsombudsman.org.uk

Contact us

If you have any queries about the Scheme or your benefits, you can contact us using the details below:

FDR Limited Pension Scheme

**Capita
Hartshead House
2 Cutlers Gate
Sheffield
S4 7TL**

Email at: fdr@capita.co.uk

Pensions helpline: 0845 604 5316