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Know your pension

**For members of the defined benefit ('DB') section
of the FDR Limited Pension Scheme ('the Scheme')**

Welcome to the 2023 edition of the 'Know your pension' newsletter, containing updates on the Scheme's funding and details of important pension and Scheme news.

We hope you find this newsletter interesting. If you have any questions about your pension benefits in the DB section, or any of the matters raised in this newsletter, please contact us using the details on page 9.

The Trustee



Summary Funding Statement

The Trustee is required to carry out an actuarial valuation of the Scheme every three years. This actuarial valuation is an assessment by the Scheme actuary of the Scheme's ability to meet its benefit promises to members, both now and in the future. The latest actuarial valuation for the Scheme was due as at 31 March 2022. Certain aspects of an actuarial valuation must be agreed with the sponsoring employer, in this case FDR Limited, LLC (the 'Company'), and can therefore take up to 15 months to finalise.

The actuarial valuation for the Scheme as at 31 March 2022 was completed in March 2023. We are required by law to provide you with a summary of the Scheme's funding position as at this date, in the form of a Summary Funding Statement.

How the FDR Limited Pension Scheme works

A DB scheme operates with a single common fund for investments into which all contributions are paid and from which all benefits are payable. The Trustee and the employer are responsible for monitoring this fund and making sure it can pay the benefits due to members. The actuarial valuation helps them to do this by:

- 1 Comparing the value of the benefits already earned by members in the section with the assets built up from contributions and past investment returns; and
- 2 Determining the level of contributions required to meet future benefit payments taking into account the result of 1.

Actuarial funding update as at 31 March 2023

The table below shows the results of the latest funding update, along with the results of the previous actuarial valuation.

	2022 Valuation	2023 Funding update
Total value of the benefits earned	£585m	£409m
Market value of the assets held	£678m	£492m
Surplus	£93m	£82m
Funding level (assets/ value of benefits)	116%	120%

Since the DB section is in surplus, the Company is not currently required to pay deficit contributions to meet future benefit payments. The Company has agreed that in the event that the funding level falls back below 95%, the previously payable deficit contributions of £5 million per year will recommence.

The funding level improvement from the last valuation is due to the positive investment returns which mean the assets have increased in value. The above figures only relate to the DB section and exclude AVCs which are invested separately.

Investment strategy

The section had a strategic allocation of 20% in growth assets (such as equities), 67.5% in matching assets (such as government bonds) and 12.5% in credit assets (to match cashflow needs) to achieve its overall target return. The large proportion invested in matching assets are aiming for returns that match the benefits the section needs to pay out.

The Trustee keeps the investment strategy under review, in consultation with the sponsoring employer, FDR Limited, LLC. During the year since 31 March 2022, given the strong funding position of the Scheme, the Trustee was able to take the decision to remove the 20% in growth assets and increase its allocation to matching assets, to reduce its investment risk exposure.

Thinking about leaving the Scheme?

You should seek advice from an independent financial adviser (IFA) if you are considering transferring your benefits out of the Scheme. To find an IFA, visit www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser

Advisers charge for their advice so be sure to check fees with them first.

The importance of FDR Limited, LLC's support

FDR Limited, LLC (the 'Company') continues to support the Scheme. This is important because the Scheme needs its support and contributions to make good any funding shortfall that arises so we can continue to pay benefits in full. In addition, the Company's ultimate parent, First Data Corporation, has provided a guarantee that the Company will meet its obligations, subject to a guaranteed amount of up to £143 million. In 2019, First Data Corporation was acquired by Fiserv, Inc. but the guarantee remains in place.

What would happen if the Scheme wound up?

The Trustee is also required by law to tell you what the financial position of the DB section would be on wind up, even though the Company has no intention of winding up the Scheme.

If the Scheme was wound up, the Company would have to pay enough money into the Scheme to secure the DB benefits with an insurance company. This would be more expensive than the value of benefits calculated in the actuarial valuation. This is because insurers have to take a very cautious view of the future and seek to make a profit as well as maintaining a statutory solvency margin. By contrast, the Trustee's funding plan, which is in line with good practice and pensions law, assumes that the Company will continue in business and support the Scheme.

At 31 March 2022, the DB section's assets were estimated to be sufficient to provide around 101% of the money needed to secure benefits with an insurance company.

If the Company became insolvent and the funding level decreased such that there weren't enough funds to secure benefits with an insurer, then the Scheme might be taken over by the Pension Protection Fund (PPF). More information about the PPF is available on its website at www.ppf.co.uk, or you can call 0345 600 2541. The PPF does not provide full protection, so members may still see some reduction in their benefits if the PPF were to provide compensation.

Additional disclosure notes required by the Scheme Funding Regulations

No payments have been made or are due to be made from the Scheme to the Company. The Scheme has not been modified nor had any directions or a revised Schedule of Contributions imposed upon it by the Pensions Regulator.

More information about funding

If you would like a copy of the 2022 actuarial valuation report, please contact:

Andrew Smith,
Secretary to the Trustee,
FDR Limited Pension Scheme,
c/o Capita,
Hartshead House,
2 Cutlers Gate,
Sheffield S4 7TL.

You may also request copies of the following documents among others: Schedule of Contributions, Statement of Funding Principles. You can find details of the Scheme's investment strategy and how it has been implemented in the Statement of Investment Principles and Implementation Statement on the website at www.fdrlimitedpensionscheme.com/home/db/important-documents

Scheme news

Guaranteed Minimum Pensions (GMPs)

Members with benefits relating to service prior to 6 April 1997 may have a GMP element to their pension as a result of being contracted out of the State Earnings Related Pension Scheme, later known as S2P.

An important change impacting GMPs is the equalisation of benefits for men and women. Prior to 1997, GMPs were calculated differently, which was ruled as discriminatory by the courts. Pension schemes are now striving to achieve gender equality by adjusting GMP benefits. Benefits have been equalised for most pensioners in the Scheme already, and steps are being taken to equalise benefits of those who have retired more recently and of deferred members.

As of 6 April 2022, pensions exceeding GMPs were increased annually in line with inflation, up to a maximum of 5%. GMPs themselves were also increased in compliance with statutory requirements.

For those with pensions exceeding GMPs from Pensionable Service before 20 June 1991, there is a 3% annual increase underpin based on a 2017 Court of Appeal Order.

If you have any questions, you can visit the page on the website specifically created for this at www.fdrlimitedpensionscheme.com/home/db/gmpe

ESG – environmental, social and governance investing

You can find out information about how the Trustee addresses issues to do with the environment, social responsibility and corporate governance in the Scheme's Statement of Investment Principles and Implementation Statement, both of which are available on the website www.fdrlimitedpensionscheme.com/home/db/important-documents. This includes details of how investment managers voted in key resolutions and shareholder proposals on behalf of the Scheme as shareholders.



Expression of wish form

In the event of your death, completing an expression of wish form lets you tell the Trustee who you want to receive your pension benefits. The Trustee is then responsible for deciding to whom any discretionary death benefits should be paid. You can help the Trustee with this decision by completing an expression of wish form.

Your personal circumstances may change over time, so it's important that you keep your expression of wish form up to date to make sure your loved ones are taken care of. The form also allows you to add any additional information you feel would be relevant for the Trustee to know when determining your beneficiaries.

Out of date forms that do not match up with your wishes when you die can cause lengthy investigations by the Trustee into who should receive any death benefits. This can in turn cause delays in paying these benefits. Make sure all your personal information is up to date, so we can ensure you are provided with accurate information about your pension and to help us to pay your benefits on time.

You can update your expression of wish by using the form on the Scheme website www.fdrlimitedpensionscheme.com/home/db/important-documents

DB Scheme Membership

	Deferred	Pensioner
2021	1,564	1,862
2022	1,449	1,924

It is important to inform the Trustee of any change of address or marital status. Please notify the Trustee of any changes using the contact details shown at the back of this newsletter.



Pension news

Annual and Lifetime Allowance

The Annual Allowance (AA) is the amount of money you can save in pension benefits each year without incurring a tax charge. In March 2023 and as part of the Spring Budget, the Chancellor announced the cap had increased from £40,000 to £60,000 from 6 April 2023. As well as the change to the AA, the Lifetime Allowance (LTA), which is the total amount of pension benefits you can build up in your lifetime before you need to pay an LTA tax charge, was also addressed, with tax charges for amounts exceeding the LTA for the 2023/24 tax year being removed and the LTA being completely withdrawn by 6 April 2024.

For many members of the Scheme this will not impact your retirement savings nor your pension when you come to take it. However, LTA reporting does form a large part of the retirement application process and can be quite complex, with its removal this process will be easier for you when you come to take your benefits.

The State Pension

In the Chancellor's Autumn 2022 Statement, it was confirmed that the State Pension triple lock would be retained, and the State Pension would increase by 10.1%. The new State Pension increased

to £203.85 per week for the 2023/24 tax year for people with at least 35 years National Insurance contribution history. If you have more than 10 qualifying years but less than 35 then you will receive a portion of the full State Pension.

If you are coming up to retirement in the next few years, you can check the amount of your State Pension by getting a forecast from www.gov.uk/check-state-pension

Alternatively, you can telephone 0345 300 0168.

The age which you will receive your State Pension has changed over recent years. You can check your State Pension Age from www.gov.uk/state-pension-age

Minimum Pension Age

Currently, the minimum age you can take any workplace or personal pension is age 55. From 6 April 2028, the government has announced that this will increase to age 57. Exceptions apply in the event of ill health that prevents you from being able to work.

If you think you might be impacted by this change in minimum pension age, please get in touch with the Scheme administrator using the contact details on page 9.



Protecting yourself from scams

It's important to know how to keep your finances safe and this includes your Scheme pension. Opportunists will look to take advantage of people's hard-earned money.

Watch out for people contacting you out of the blue, offering a pension review or suggesting you transfer out of the Scheme and put your money into other investments.

Take the FCA ScamSmart quiz to see how scam smart you are: www.fca.org.uk/scamsmart/pensions-scam-quiz

Here are some tips to make sure you are keeping your finances protected:

- Never share your PIN or online passwords.
- Make sure you regularly change your passwords to something that's hard to guess.
- Check your bank statements for any unusual activity.
- Use multi-factor authentication where it's offered – a unique code is sent to your phone or email each time you log in for extra security.
- Don't do anything online that you wouldn't do in person.

If you think you may have been the victim of fraud, call Action Fraud on 0300 123 2040.

The Pension Tracing Service

The Pension Tracing Service, which may be able to help you find a pension plan you have lost touch with since leaving it, is accessible from <https://www.gov.uk/find-lost-pension>

Financial Advice

Remember, neither the Trustee nor the administrator, Capita, can give you financial advice when it comes to your investments or your retirement options. We recommend you speak to an independent financial adviser before making a decision regarding options. You can find out how to get financial advice at www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser

Capita has also partnered with a number of professional financial advisers that can help you understand your options and provide advice where required. Should you wish to take advantage of this service, please click on the 'Managed Retirement Services' link on the website <https://www.fdrlimitedpensionscheme.com/home/db/at-retirement>

Trustee and advisers

The Trustee Company has five Directors, two of whom are Member-Nominated.

The current Directors are:

- Ross Trustees Services Limited (part of the Independent Governance Group), represented by Jo Myerson (appointed 1 June 2021)
- Carol Carter (reappointed 6 October 2021)
- Peter Motley
- Keith Rowling
- Daniel Waller

To assist with technical matters, the Trustee makes use of specialist advisers. The advisers that the Trustee employs are listed below:

Secretary to the Trustee	Andrew Smith, Capita
Scheme actuary	Aon Hewitt Limited Jane Curtis FIFA
Scheme administrator	Capita Pension Solutions
Investment managers	Legal & General Assurance (Pensions Management) Limited River and Mercantile Investments Limited
Investment adviser	Schroders (formerly River and Mercantile Investments Limited)
AVC provider	Standard Life Assurance Society
Solicitors	Eversheds Sutherland LLP
Auditor	RSM UK Audit LLP
Bankers	National Westminster Bank Plc

We're here to help

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:

FDR Limited Pension Scheme

Capita

PO Box 555

Darlington

DL1 9YT

Email: fdr@capita.co.uk

Telephone: 0345 604 5316

Website:

www.fdrlimitedpensionscheme.com/home/db

For general help and guidance on pensions and financial matters, you can contact MoneyHelper:

Website: www.moneyhelper.org.uk

If you have any issues with how the Scheme is run, or cannot resolve an issue with Capita or the Scheme Trustee, you can contact:

The Pensions Regulator

Napier House

Trafalgar Place

Brighton

BN1 4DW

Telephone: 0345 600 1011

Website: www.thepensionsregulator.gov.uk

The Office of the Pensions Ombudsman

10 South Colonnade

London

E14 4PU

Telephone: 0800 917 4487

Email: enquiries@pensionsombudsman.org.uk



First Data
is now **fiserv.**